

The NATIONAL UNDERWRITER



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I can tell honest folk by their faces."
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AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

KANSAS AGENTS CONVENTION

THURSDAY, OCTOBER 29, 1953



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North America Agents or Brokers, through our Foreign Department, represent their customers in practically all parts of the world. These world-wide facilities are yours to command wherever your customers need them.

North America's Foreign Department is a multiple line unit. It handles fire, casualty, automobile, inland and ocean marine lines. It brings you as near your customers' foreign operations as your nearest Service Office. These operations are entirely independent of any pool or association. This gives you the benefits of dealing direct with the insurance company. You avoid the hazards of remote control.

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Indemnity Insurance Company of North America
Philadelphia Fire and Marine Insurance Company

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The National Weekly Newspaper of Fire and Casualty Insurance

New Small Risk U&O Form Will Spur Sales Activity

Pacific Board Example Will Be Catching; Expect Action in Other Areas

The actual launching on the Pacific Coast of a simplified earnings insurance form for small business, together with a very strong probability that this or something close to it will be brought out generally in other parts of the country, means that there is bound to be a lot of sales activity in the U & O line and a lot of sales are going to be made, both on these forms and on what might be called proper forms. This innovation constitutes a conversation piece. It is going to provide agents with a talking point, a door-opener, a way to introduce the subject of U & O insurance and it is going to overcome a lot of inertia on the part of a lot of agents.

This can be stated confidently on the basis of the experience of at least one company that has had such a coverage on its shelves for several months and has been able to observe at first-hand the agency and insured acceptance of it. This is Fireman's Fund. That company finds that frequently, perhaps more often than not, where the approach has been made on the subject of U & O insurance with this new form and a sale has eventuated, the insured has selected the proper form. That is, when the appetite for the insurance has been aroused and it gets down to a matter of "druthers" the old contract has been taken.

One agent in an Indiana town went down the main street and canvassed practically every small business with almost 100% success.

Western Underwriters Assn. at its White Sulphur convention indicated a desire to have a form like this brought out in the west shortly.

There are some differences in rate and terms that are interesting as between the Pacific Board approach to the matter and the Fireman's Fund and American States of Indianapolis, which is believed to be the first company to bring out a scheme along this line. For instance, the Pacific Board rate is a multiple of the basic business interruption rate, being 150% for all steel construction, 200% for other types. That is higher than either Fireman's Fund or American States. American States uses the building rate. That, of course, is the lowest. Fireman's Fund uses the gross contents rate, which will work out to less than the Pacific Board tariff. However, if the rate difference gets down to a matter of a very few dollars when it is considered that most of these policies are going to be for small amounts.

For instance, a merchant that buys insurance against loss of maximum

C.F. Gold Is New N. C. Commissioner

RALEIGH, N.C.—Charles F. Gold, 41-year-old lawyer of Rutherfordton, is to become North Carolina's new commissioner of insurance.

His appointment was announced Oct. 26 by Governor Umstead. Mr. Gold will take office on November 16, with Charles A. Hostetler continuing as acting commissioner until that date.

Mr. Gold began practicing law in 1937 after receiving a law degree from University of North Carolina. He has served as solicitor and as judge of the Rutherford county recorder's court, is a veteran of the last war and was secretary to the late Congressman A. L. Bulwinkle for seven years.

He served in the state senate in 1951, and was a member of the insurance committee then.

As a commissioner, he will succeed Waldo C. Cheek, who resigned Oct. 15 to become a consultant with Independence Life of Charlotte.

earnings of \$400 per month, say, under the Fireman's Fund program would take \$1,600 of insurance, and if the rate were \$1 it would only be a matter of a premium of \$16. Hence, what might appear to be important differences percentage-wise in rate, might actually be no more than peanuts insofar as dollars and cents are concerned.

The Pacific Board form limits recovery in any period of 30 consecutive days to not more than one-third the specified amount of insurance. With Fireman's Fund the maximum monthly recovery is one-fourth and with American States it is one-fifth. Of course, from the standpoint of the insured, the larger maximum monthly recovery is to be preferred because usually the heaviest load will be in the first month and there is where the cut-off is likely to hurt. However, here the matter of rate may turn into something of a consideration. The extra amount that might be recovered during the first month will have to be measured against the higher cost for that insurance as compared with Fireman's Fund, say, or American States. It must be emphasized that this monthly maximum may not be exceeded in a subsequent month if, say, during the first month the maximum was not utilized. Some have thought that if, say, during the first month only one-sixth of the coverage was needed this might be made up in the second month, if necessary, so that over a two-month period the recovery might be a full two-thirds, even though in any one of those months the recovery would be less than one-third. But that is not the way it works.

The idea of this insurance has appealed to a number of banks that put out chattel mortgages. The policy on the property can be endorsed to include business interruption with the monthly payments for the benefit of the bank. For instance, the bank may make a loan for rebuilding a kitchen

(CONTINUED ON PAGE 38)

Wayne Stands Up for Marine Definition

Harold L. Wayne, general manager of Inland Marine Insurance Bureau, answered those who are speaking slightly of the new marine definition, in a talk before a meeting of Mariners Club of Boston. He said that so long as there is any need to refer to marine or inland marine insurance in state laws, just so long will it be necessary to define what is meant thereby, and so long as there remains any freedom from rate filing requirements on any portion of marine and inland marine business, just so long will a marine definition be absolutely essential.

The definition pertains exclusively to marine and inland marine insurance, he said, and doesn't deal in any manner with what may or may not be done under any other kind of policy or under multiple line laws. More than 90% of the insurance industry agreed that under present day conditions it is even more essential that there be a marine definition than at the time of the adoption of the original one.

The exemption from rating laws of marine insurance is essential. Within the exemption there is complete free enterprise, he said. "Without such free enterprise, perhaps a definition of marine insurance would not be quite so essential, but that would be a long step backwards and a terrific price to pay to satisfy the whims and fancies of a few who obviously have never thought the matter through."

Insofar as the manufacturer's output policy is concerned in relation to the definition, the only question to be resolved is whether this is a policy of inland marine insurance. If so, then the rate filing requirements of a state would not apply. If not, the definition is not applicable and the marine exemption is inapplicable.

The definition in no manner precludes package or combination policies, he said. The only question that could arise under the definition is whether the package is or is not marine or inland marine. The marine definition never could be used to stifle legitimate competition of any kind. It could not in any manner inhibit the proper exercise of charter and license powers.

Ready Export Bank Program

The Export-Import Bank staff has indicated that it is getting up necessary forms and regulations, which should be printed in a couple of weeks or so, in connection with the government's program of insuring U. S. agricultural commodities, particularly cotton, stored abroad, against loss through expropriation, seizure and other political risks. The insurance program was authorized by Congress in public law 15 and includes an item of \$100 million for reinsurance of the coverage.

It is understood that the government will reinsure risks 100% but that any licensed fire or casualty insurer may qualify to handle the detail of the insurance, to be reimbursed for its service. However, the organization established by marine insurers in the American War Risk Agency in New York would act as a clearing house.

Moser Warns of Munich on N. Y. Compulsory Issue

Skill in Draftsmanship Can't Obliterate Political Rate Making Threat

Henry S. Moser, vice-president and general counsel of Allstate, in addressing a dinner meeting of Greater Insurance Brokers Assn. of New York, took after those in the insurance camp who are getting into the compulsory insurance corner in New York on the ground that a law can be gotten up under a friendly administration that will avoid the angularities that have arisen under the Massachusetts system and it were better to do this than to get a savage law thrust down the insurance throat at some later date. Mr. Moser's answer was that political rate making is bound to eventuate under any system of compulsory insurance regardless of the details of the legislation. Political pressure on rates in Massachusetts, he said, has been constant and unrelenting. "Had the Massachusetts rate hearings this year been televised and the New York legislature been privileged to see that disgraceful performance," he said, "had the legislature been exposed to the days and weeks of Massachusetts headlines and columns of recitation of political hogwash, had they heard the suggestion made in the open hearing by politicians that Gov. Herter and Commissioner Humphrey should be impeached...they would make short shrift of any compulsory bill" in New York.

Besides the matter of an overall rate structure, the fight in Massachusetts this year "centered about the audacious suggestion that the youthful drivers be required to pay a rate more commensurate with their loss experience and that the rates for adult drivers be correspondingly reduced."

To the argument that "it can't happen here" because in New York with 96% of the cars insured, there is no political pressure on rates and the addition of a 4% more will not change the situation, Mr. Moser asked why it is that with 99½% of the cars insured in Massachusetts right along, political pressure there has always been present. He said it is not the percentage of insured cars that accounts for political repercussions. These are the result of the compulsory feature of the legislation, and that alone.

He said the proponents of the legislation contend they have safeguarded against political pressures by their superb draftsmanship of the proposed New York law and that they have left the rate making process in the hands of the companies and have made no provision for state-made rates. This, he said, is an attempt to build on a foundation of sand. The structure cannot stand. Under any compulsory sys-

(CONTINUED ON PAGE 35)

Chief Officers Are Reelected at Mo. Agents' Meeting

Membership Growth Spurs Employment of Full-Time Executive Secretary

KANSAS CITY—An impressive membership gain from 517 to 952 was the main factor behind the decision of Missouri Assn. of Insurance Agents, announced at the annual convention here this week, to hire a full-time executive secretary.

The officers' slate was kept nearly intact, Joseph Jackson, Jr., Maryville, being reelected president. Other officers continuing are Oden D. Prowell, St. Louis, vice-president, and Robert E. Chapman, Webster Grove, secretary-treasurer. L. D. Gumm, Kennett, was elected a vice-president.

The executive committee voted to move the association headquarters to a city in the central part of the state within 30 days after hiring the new executive secretary. The latter will be done as soon as an extra \$7,000 has been raised, with members in St. Louis, Kansas City and the balance of the state each contributing one-third of the amount. Bennett G. Gregory, executive secretary of the St. Louis board, for some time has been doubling in brass and serving the Missouri association in the same capacity.

By resolution, the association backed up the NAIA stand condemning companies which write contract bonds and A & H without agent participation.

At the farm session, Philip H. Bevan, Aetna Fire, discussed the livestock floater and farm form and indicated the potentialities of using inland marine insurance on farms. H. H. Schroeder, New Amsterdam Casualty, talked on farm liability, and George Craig, vice-president of Home in charge of the farm department, described the activities of Farm Underwriters Assn. and its committees. He went on to say the farm insurance picture in Missouri might become more gloomy for the stock companies and urged that the blanket personal property policy be written in Missouri. Thousands of these policies are written in Illinois, but none in Missouri, he said.

Superintendent Lawrence Leggett described the functioning of the insurance department in his address at the first session, and had a few words to say about the Missouri financial responsibility law.

Myron Blotkey, division manager of Prudential, told the fire and casualty agents they have a great opportunity to sell life insurance to business firms such as partnerships, corporations, sole proprietorships, etc., and added that a general insurance agent ought to be able to write a minimum of \$5,000 of life insurance each month. "That's \$800 you can add to your present earnings with no real extra effort," he said.

A citation was given at the luncheon to H. R. Biser, educational committee chairman, for his work in connection with the 1953 Missouri agents institute at Columbia, Mo., that was attended by 160 agents.

Roy Davis, midwest manager of Assn. of Casualty & Surety Companies, talked on compulsory automobile in-

surance and said the essence of the social problem arising out of the automobile is safety and this is a matter that compulsory cannot cope with. He mentioned the attempts to substitute comparative negligence for contributory negligence, and other problems of the casualty insurer such as attorney fee bills where delays in settlement are alleged.

One of the highlights of the meeting was a panel discussion that was directed by Donald C. Brain, and that included Percy Lorie of Kansas City, E. C. Kottmeier, manager of F. & C. at St. Louis, and Mr. Davis.

Mr. Lorie commented that he has talked to automobile underwriters and agency supervisors of a number of major casualty companies and found that the insurers are looking for good agents who will give them an overall spread of casualty business. New agency appointments are not being held down, and most companies will take 40 to 50% automobile.

He advised those having difficulties with high commission insurers or fire companies with new multiple line auto departments to seek out the large and stable casualty companies who have been in the bureau for a long time, and "who look to the business as a whole and for over the long pull. Produce other lines for them and they will go along with you on your automobile lines."

Recommending that a prospect use
(CONTINUED ON PAGE 36)

Estimate on Oakland Fire Drops from \$12 to \$1 Million

The fire in the Oakland, Cal., port warehouse that was publicized in the newspapers as amounting to as much as \$12 million will total about \$1 million, according to adjusters and surveyors.

Exaggeration of the loss is attributed partly to the excitement of newsmen standing around during the heat of the fire who were probably including the total value of all goods in buildings in the area, and undoubtedly there is some influence exerted by the loss General Motors sustained at Livonia Township to its Hydramatic plant that may have put a new minimum in the minds of newsmen as to what a fire should cost.

General Adjustment Bureau, which is handling the building, estimates the loss at \$150,000 plus \$35,000 on some of the contents. George E. Chase, handling the stock losses for Port of Oakland, reports that of \$750,000 on "army group" PX supplies insured in Atlantic Mutual, his estimate is \$300,000 loss, while two other adjusters estimate their assignments will produce no more than \$30,000 each.

Many shippers involved had no insurance. Some of the major insured include Gillette Razor Co., Sunbeam Appliances and Goebel Beer.

Marsh & McLennan placed coverage on the building.

Among those shippers without insurance was Heinz Packers. It is thought there will be considerable salvage from the fire, and it will take several months to determine what the actual loss is. The feeling among the adjusters is that the total on contents will not go over \$750,000, if it reaches that, although there are undoubtedly a few losses under specific coverages that are not yet known.

Ten America Fore Men in West Are Elevated

Ten important men in the Chicago western department of America Fore have been given superior titles. Five who were formerly assistant secretaries have now become secretaries, they being Herman P. Winter, Charley R. Williams, William E. Matchett, Raymond F. Jackson and Arthur Gabrielsen. Then there are four men that occupied various agency supervising positions that are named assistant secretaries, they being Edward W. McDowell, John K. Recktenwall, Emory E. Ross and Encil V. Sharp. At the same time Harry C. Brose, who was mana-

and general cover departments. He became an assistant secretary in 1951.

Mr. Jackson started with Continental in 1923 in the farm department and later traveled extensively. In 1944, he became inland marine manager at Chicago and became assistant secretary in 1951.

Mr. Gabrielsen started with American Eagle in 1919 at the time its western department was established. Previously he had been engaged in the insurance business elsewhere. He was in the field for a while and then became manager of the brokerage de-



Herman P. Winter Charley R. Williams William E. Matchett Raymond F. Jackson Arthur Gabrielsen
Edward W. McDowell John K. Recktenwall Emory E. Ross Encil V. Sharp Harry C. Brose

ger of the improved risk department, was appointed agency superintendent and will assume general underwriting duties.

Mr. Winter is the son of a former Indiana state agent of Continental, and he has been an America Fore man more than 30 years. He started in the farm department in Chicago and subsequently traveled extensively. In 1947, he became an executive assistant to Vice-President E. A. Henne and was named assistant secretary in 1948. He is a past-president of Ohio Fire Underwriters Assn.

Mr. Williams got into the insurance business after serving in the first war, then he joined American Eagle as automobile manager at Chicago in 1920. In 1925 he became manager of the automobile department of America Fore in the west, and in 1927 became manager of the office supervising adjustments in the Chicago metropolitan area. He became executive assistant to Mr. Henne in 1942 and assistant secretary in 1948.

Mr. Matchett graduated from Earlham college and did graduate work at University of Chicago. He was in the local agency business at Pierceton, Ind., from 1920 to 1924, and did per diem work for America Fore hail department. He joined America Fore in 1929 as a field man, and in 1941 went to Chicago in charge of inland marine

department in 1926; then he became agency superintendent in the Cook county department and was appointed assistant secretary in 1938.

Mr. McDowell is a graduate of Northwestern University school of commerce. He started with America Fore in 1926. He traveled in various states and went to Chicago as executive assistant in 1951.

Mr. Recktenwall joined America Fore in 1929 and at the same time attended Northwestern University insurance course. He was a field man in Tennessee before and after engaging in military service in the last war. He was named agency superintendent at Chicago in 1952.

Mr. Ross joined Continental in 1920. For a number of years he traveled a number of states and in 1941 became assistant superintendent of the farm department at Chicago. In 1949, he was promoted to superintendent and during the past five years had aided in opening regional farm department offices at New York, Atlanta and San Francisco.

Mr. Sharp is a graduate of Earlham and he went with America Fore in 1929. He subsequently traveled in Wisconsin and Iowa, and in 1946 became superintendent of the hail department.

Mr. Brose started with Fidelity-Phenix in 1921. He has been a senior examiner of the improved risks department.

Interstate F. & C. Names 3 V.P.'s, 6 Directors


George F. Brown, Alan J. Carey and Louis W. Biegler have been elected vice-presidents of Interstate Fire & Casualty, the Bloomington, Ill., insurer that is managed by the George F. Brown & Sons agency of Chicago. Messrs. Carey and Biegler, both of whom are vice-presidents of the Brown agency, will be in charge of Interstate's casualty and fire underwriting, respectively. Mr. Brown, a director, will have administrative duties.

The company also has named six additional directors. They are Max E. Meyer, a partner of the Chicago insurance law firm of Lord, Bissell & Kadyk; P. A. Washburn, Edwardsville, Ill., president of Florists Hail Assn.; Glen Kemp, Lexington, Ill.; Monroe Dodge, Bloomington and Messrs. Carey and Biegler.

Jones Is Salina Speaker

George J. Jones, Western Fire, spoke before the Salina (Kan.) Insurance Board, discussing the recent rule book changes and new forms.

FIRE · MARINE · CASUALTY · SURETY



Loyalty Group
I N S U R A N C E

FINANCIAL STATEMENTS DECEMBER 31, 1952

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

| Companies | Capital | Total Admitted Assets | Liabilities (except capital) | Surplus to Policyholders |
|---|---------------|-----------------------|------------------------------|--------------------------|
| Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small> | \$11,925,000. | \$125,872,513. | \$71,027,539. | \$54,844,974. |
| Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small> | 1,000,000. | 12,515,163. | 8,032,056. | 4,483,107. |
| National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small> | 1,000,000. | 12,310,134. | 7,653,165. | 4,656,969. |
| Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small> | 2,000,000. | 32,979,149. | 20,735,873. | 12,243,276. |
| The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small> | 1,500,000. | 38,563,554. | 30,241,571. | 8,321,983. |
| Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small> | 2,000,000. | 45,543,960. | 35,212,720. | 10,331,240. |
| Royal General Insurance Company of Canada <small>Organized 1906</small> | 100,000. | 452,493. | 1,155. | 451,338. |

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912 Commerce Street
Dallas 2, TexasFOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

Ex-Alamo Casualty People Form New San Antonio Insurer

Pioneer Casualty has been organized at San Antonio by people that formerly had Alamo Casualty which is now known as General American. Harold L. Burke, who was the manager of Alamo Casualty for some years, is executive vice-president of Pioneer Casualty; J. M. Harris who was formerly the owner of Alamo and owned the Yellow Cab Co. at San Antonio, is chairman, and other members of the Harris family hold other offices. Pioneer Casualty will take over the business of Pioneer Insurers which is a reciprocal that was set up by the Harris and Mr. Burke when they got out of General American. Pioneer Casualty has \$250,000 capital and the same amount of net surplus. K. W. Harris is president, A. E. Harris secretary and Roger T. Harris assistant secretary. The office is in the Frost building.

Mass. Bonding Resumes Dividends After 5 Quarters

Massachusetts Bonding has resumed payment of dividends on its stock. It has declared a quarterly of 30 cents, and an extra of 30 cents, both payable Nov. 16 to stock of record Oct. 30. Mass. Bonding had been paying quarterly dividends of 40 cents until the third quarter of 1952, when the dividend was omitted. This got front page treatment in the Boston papers at that time because President Wallace Falvey was quoted as saying that this had to be done because of the losses suffered under the inadequate rates on Massachusetts compulsory automobile insurance. The stock of Massachusetts Bonding broke to about 20 at that time and with the resumption of dividends it has gone up to about 24 1/2.

Cleveland Board Looks on U. S. Move with Equanimity

Insurance Board of Cleveland has sent to members a statement about the developments of the anti-trust action against the board. This was due to the fact that the government's move in the case was publicized extensively, this being a motion for a summary judgment. The statement by Executive Secretary Joseph H. Bishop, Jr., said that making this motion should not be

considered as forecasting any ruling by the court. This will not be considered by the court until both sides have presented their views. Often it is desirable and convenient to present the legal questions to the court in this way so as to avoid long and expensive trial on the facts. No hasty action by the court should be anticipated and the court will give the board plenty of time to give its reasons for believing that the rules are in the public interest and not in violation of the anti-trust act. Mr. Bishop said the board is confident that the rules are strongly in the interest of the public and is confident that its views in this matter will have careful study by the court before any decision is rendered.

W. J. Mahoney, in News in N. Y., Has Insurance Ties

NEW YORK—State Senator Walter J. Mahoney of Buffalo, who made the front page of New York papers Thursday by his admission that he had been counsel of the Hamburg Raceway, near Buffalo, was formerly chairman of the insurance committee of the New York senate and was the first chairman of the joint committee of the senate and assembly on insurance rates and regulation. He said the Multiple Line Insurance agency of Buffalo, of which he is a director, had written "some" insurance for the trotting track. He is regarded as the logical successor to Sen. Wicks as majority leader if Gov. Dewey's efforts to force Wicks to resign because of his visits to Joseph Fay, labor leader, now serving a prison sentence for extortion, succeed.

Six-Month Deal Cleared

Lumbermen's Mutual Casualty and American Motorists have received in Washington state approval of a deviation filing from N.A.U.A. tariff to permit them to write a six-month auto physical damage contract at 50% of the annual premium. Thus these companies are now able to write a combination policy on a six-month basis in that state because the filing of the mutual bureau of a six-month policy which is being made throughout the country, was previously accepted.

Trull Joins National in Cal.

George E. Trull, Jr., has joined National of Hartford group as special agent in the San Joaquin territory of California with headquarters at Fresno. He will assist S. E. Humphrey, special agent. Mr. Trull has had company and agency experience.

Ballou Named Production Chief for Phoenix-London

W. F. Ballou has been appointed production manager for all companies of the Phoenix-London group. After 15 years of underwriting and field experience, Mr. Ballou in 1944 joined Phoenix Assurance as special agent in the New England department. In 1950 he was appointed assistant manager at Chicago.

Succeeding Mr. Ballou as assistant manager at Chicago is Kyle Leonard, who has been with Phoenix since 1940, serving at New York, in Texas and Ohio and who most recently has been Detroit manager.

The Chicago people gave Mr. Ballou a farewell dinner at the Union League Club Wednesday.

Free Enterprisers in Tex. Foes of Insurance Profit

An average workmen's compensation rate decrease of 6.2% is embraced in the proposed state-promulgated workmen's compensation rates in Texas.

Some old familiar objections to the expense element of the rate were brought up at the hearing on the program, but the indications are that the 6.2% decrease tariff will be put into effect. Angus McDonald, casualty actuary for the department, explained how the rates were developed. For manufacturing the indicated change in manual rate level was 5.4, contracting 6.4 decrease, oil 3.2 decrease, and all other 8.2.

Ralph Soape, Dallas, who is a gadfly that is always heard from on these occasions, objected to the 2.5% profit factor in the rate. He also argued that insurance companies have educated the public to expect large claim payments and thus are to blame for what he said are exaggerated claims.

Stoddard Smith, American Auto, Dallas, contended that the rates are grossly inadequate. This, he said, has caused business to go begging and has induced the formation of promotional companies to handle easy-to-get business at insufficient rates and to the peril of insured and beneficiaries.

Joe Shelton of Dallas, representing American Assn. of Well Drilling Contractors, said a profit factor of 1.5% is adequate and that an additional point here would be costly to oil well

drillers. Advocating elimination of any profit factor were Ed Burris, executive vice-president of Texas Manufacturers Assn.; E. I. Evans, actuary of Columbus, O., and Attorney Graham.

W. C. Leslie of National Council on Compensation Insurance, said the 2.5% profit factor is necessary and that the insurers have no other source of profit.

Ky. C. P. C. U. Conferment

The Kentucky C. P. C. U. chapter will hold an all-industry luncheon at Louisville Nov. 17. Talks will be given by Commissioner Goebel of Kentucky and Mildred L. Landis, Central Mutual, national secretary of the C. P. C. U. society. The C. P. C. U. designation will be conferred on Irving E. Farnham, Employers group.

Murphy Cited for Fight Against Heavy Odds in N. Y.



Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, receiving the Gold Medal award for outstanding achievement in the field of insurance from Jack A. Fink, president of General Insurance Brokers Assn. of New York. The presentation was made at the annual dinner of GIBA.

In presenting the award, Mr. Fink cited "the valiant and successful fight against heavy odds which Mr. Murphy led earlier this year to save New York from the public and economic disaster of a compulsory automobile insurance law."

Mr. Murphy was selected by the Gold Medal award committee, comprised of the former recipients of the medal, of which Frank A. Christensen, president of America Fore, is chairman.

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Auto Competition Is Fight for Survival, Mo. Agents Told

Remarking that by 1960 automobile insurance premiums will amount to approximately 44% of total insurance premium income, John Brodhead, Jr., of George D. Capen & Co., in his address before Missouri Assn. of Insurance Agents at Kansas City, commented it is hard to conceive of any agent or company that can stand a 44% loss and still be in business. This brings the matter of automobile insurance competition right down to a problem of survival, he said.

The success of direct writers is not caused by a mere 10 or 20% dividend differential, but by a "tremendous price difference which is sometimes as great as 250%," Mr. Brodhead declared. He mentioned that in St. Louis the standard basic rate for class 3 of the bureau companies is \$111, while State Farm charges \$41, Farmers Exchange \$56, and Allstate \$75, and the latter two have preferential rates which would create even wider price differentials.

The answer is to meet this problem head-on, the speaker said. It is not necessary to meet the price problem on an equal basis or by chain store operation, but with price fixed competitively considering the cost of service of the agent and its value to the public. It is vital for the companies and agents to act together and in concert as a unified team.

"We no longer can afford to stand back and criticize the operation of the other without realizing that we are as dependent upon one another as the gears of an intricate machine," he said. "As a result, we must scrutinize the overall operation of which we are component parts... In other words, we, as agents, can no longer afford to await individual company action on premium reductions saving our commission as inviolable, nor can the company afford to postpone all its actions in the hope that we will come to them as broken and humble supplicants, giving them the free hand they desire."

Mr. Brodhead advocated open discussion on the part of the agents with the companies on such questions as continuous policies, renewal certificates and commissions.

Saying he is suspicious of a unilateral move to reduce commissions in view of the increasing costs which the agents face, Mr. Brodhead said he would be "penny-wise and pound-foolish to preside at a liquidation of my business in the idle worship of a sacrosanct commission. No, what I want is not necessarily a fixed percentage of a dusty piece of merchandise, but a moving, salable product with ample allowance (perhaps in a set number of dollars instead of the old percentage system) for my services and my profit."

Regardless of individual feelings on commissions, the auto problem will not be solved unless the agents approach the companies in a mood to discuss all aspects of the premium dollar, Mr. Brodhead said. At the same time, this sort of thinking has to be used by the companies, and he raised the point that bureau companies "are losing sight of the forest because of the trees when they persist in regarding automobile insurance as four different types, each of which must stand on its

own feet." He explained that the bureau has asked for increased rates on PDL and BI, and still moans about poor loss ratios, yet it has not mentioned the good experience on fire, theft and collision. "There have been no reductions in these premiums, yet the bureau companies refuse to consider these figures against the loss in the BI and PDL lines, he said. The direct writers look on automobile as a package deal and are shooting for a profit overall, he went on. This is in direct opposition to the national bureau viewpoint, "and is something

which the national bureau members are going to have to correct in order to meet our foes on the same footing."

In the years when automobile insurance was a losing proposition, State Farm, Allstate, Farmers Exchange and the other independents went ahead despite poor loss ratios and in two or three years doubled their premium income, with the result that the loss ratio went into reverse and they made money. He questioned the effectiveness of bureau action, saying there are inefficient companies in a bureau and efficient ones. Poor statistical depart-

ments produce inadequate statistics; some of the statistics come in late, and on this basis the bureau cannot possibly produce an equitable rate or a responsive one. It is open to argument, he said, as to whether the bureau can produce a competitive automobile premium. "I don't think that any system which is geared to make money for an average company and which penalizes the most efficient is the kind that will survive in a virile economy," he continued.

The companies and agents are fighting—
(CONTINUED ON PAGE 32)

Reliability in *Automatic* fire detection depends on the degree and quality of...



Most important in considering automatic fire detection and alarm systems are the factors which assure the highest degree of reliability. Without provisions for continuous supervision, inspections, tests and complete maintenance, even the most perfectly designed equipment cannot be depended upon to function properly when an emergency arises.

Bulletin No. 261 of the National Board of Fire Underwriters says: "Experience has been that constant supervision, as rendered by companies maintaining a central supervising office, and under contract to inspect, test and maintain the system, is the best form of service; also, that where such central supervision is not available, then the inspections, testing and maintenance should be under contract with an experienced and dependable organization."

ADT Protection—based on more than fifty years of nationwide experience—completely meets these requirements. Whether the system operates through an ADT Central Station or is of the direct-connected type, ADT provides the specialized attention that is essential to dependable operation.

Write for complete information concerning ADT Sprinkler Supervisory and Water-flow Alarm Service or Automatic Fire Detection and Alarm Service. We shall be glad to explain how these and other ADT Automatic Protection Services can be applied to give better protection at lower cost.

Controlled Companies of

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AMERICAN DISTRICT TELEGRAPH COMPANY
155 Sixth Avenue, New York 13, N. Y.
Central Stations in Principal Cities

Fireman's Fund "All Physical Damage" Dwelling Cover OKd

Fireman's Fund's new special home owners comprehensive form has now been approved in a number of states including North and South Dakota, Iowa, California and North Carolina. This is the policy that insures the dwelling against "all physical loss" subject to specified exclusions.

The loading for the coverages other than fire is treated as an indivisible figure and, depending upon the variable, runs from a minimum of about 21 cents to a top of about 50 cents. It is the equivalent usually of 6, 7 or 8 cents over and beyond what would be gotten for both EC and AEC. However, it is not simply an extra layer of coverage on top of EC and AEC. Insofar as the EC and AEC perils are concerned, it is broader in some respects. For instance it covers steam boiler explosion and gives full vehicle coverage including damage from vehicles owned by the insured. There is full windstorm insurance without deductible including TV antenna without additional premium. Additional living expense is covered as well as rental value.

If at the time of loss the amount of insurance exceeds 80% of the full replacement cost there is eliminated any deduction for depreciation and the settlement is on the basis of new for old. There is a \$50 deductible but this does not apply to fire, smoke, wind, hail, explosion, riot, civil commotion, aircraft, falling objects, vehicle, vandalism and malicious mischief, theft or attempted theft, landslide, collapse,

rental value or additional living expense.

Among the exclusions are loss to plumbing or heating systems caused by freezing while premises are vacant or unoccupied unless the insured shall have exercised due diligence in respect to maintaining heat in the building or unless the systems and appliances were drained and the water supply shut off. Also excluded is loss by surface water, flood waters, tidal wave, high water, etc., termites, deterioration, smoke from industrial operations, rust, wet or dry rot, mold, mechanical breakdown, normal settling, shrinkage or expansion in walls, floors, or ceilings, loss to retaining walls not constituting a part of a building caused by landslide, water pressure, earth movement unless this is caused by collapse of any other structure, or by earthquake.

Gr. Am. and Am. Alliance Owners Like the Wedding

Stockholders of Great American at their special meeting by a favorable vote of 89.8%, and stockholders of American Alliance by a vote of 93.6% approved the proposal for reorganization and merger of the two institutions under the title of Great American. Chairman Daniel R. Ackerman notified stockholders that directors expect to be in the position by about Nov. 10 to take necessary further action required to proceed with the reorganization.

Olson L. A. Special Agent

Lee Olson has been appointed multiple line special agent of General Accident for southern California, specializing on casualty lines. He was formerly with General of Seattle at Los Angeles.

New Auto Rates in Kan., Ark., and Vt.

New National Bureau auto rates have become effective in Arkansas, Kansas and Vermont.

In Arkansas the class 3 rate for Little Rock and its rate territorial isobars has gone up to \$48 from \$46 and the class 1A rate is \$29 as against \$33 for the old class 1. That makes 1B \$34, 1C \$41, 2A \$53, which is exactly the same as the old class 2. 2B is \$60 and 2C is \$73. For Texarkana and its isobars the class 3 rate goes up from \$34 to \$35 and in remainder of state the new class 3 rate is \$48 as against \$44.

In Kansas there are six rate territories. In all of these the class 3 remains the same, ranging from a high of \$72 at Kansas City to \$34 for remainder of state. That makes class 1A \$43 in Kansas City and \$20 in remainder of state.

In Vermont for Burlington, Rutland and their isobars the class 3 rate goes up sharply from \$72 to \$86 and that makes the new class 1A rate \$52 as against \$51 for the old class 1. The rate for the hellions in class 2C becomes \$129 as against \$84 which they used to pay. For remainder of state the class 3 rate goes up from \$57 to \$58.

White Talks at L.A.

Jack White, manager of Prudential at Los Angeles, addressed the October meeting of A. & H. Managers Club of L. A. on the subject of entry of life companies into A. & H.

He said that ignorance of management of the A. & H. business may have

had something to do with the misunderstanding of the importance of that field, and added that A. & H. probably opens more doors to the agent than life insurance.

President Howard E. Nevenon, Washington National, named a committee to consider the merger of the club with A. & H. Underwriters Assn. of L. A., a proposal that is being voted on at the state convention Oct. 30.

National Fire Names Buetow In Western Michigan Field

Howard E. Buetow has been appointed special agent in western Michigan for the National of Hartford group. Prior to joining National, he was with Illinois Inspection Bureau for three years. His new headquarters will be at Lansing, where he will be associated with State Agent John F. Borg and Special Agent W. D. Voorhees.

Opens Pacific N. W. Branch

Hardware Mutual of Minnesota has opened a Pacific northwest branch at Portland, Ore., serving Washington, Oregon and Idaho. P. O. Wettleson, who has been manager of the Pacific department at San Francisco, has been appointed manager of the new branch. He has been with the company since 1929. Travis Brown, who has been field supervisor in the Pacific northwest, will remain in that capacity.

TV Tube Insurance

In view of the fact that American General Ins. Co. of Minneapolis makes known that it is offering TV picture tube insurance, Consumers Mutual of St. Paul notes that it has been doing this for a number of years. They get \$11.95 per year for 19 inch tubes and bigger, \$9.95 for 14 to 17 inch tubes and \$7.95 for the smaller sizes.

FIRE and ALLIED LINES

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PRO-RATA and EXCESS of LOSS

TELLS TEXAS WOMEN

Time to Halt Detail in Casualty, Garland Smith Says

The casualty business today is refined to the limit and possibly beyond the point of practicability, Garland A. Smith, the new life commissioner of Texas, commented in his talk before the convention of Federation of Insurance Women of Texas at Houston.

"Just to write a few casualty policies we've built up a mountain of rules and regulations requiring a four year college course to master," he said. To write casualty coverages only for a laundry requires knowledge of 1,700 pages of finely printed manual rules, regulations and rates. There are more than 2,400 pages of rules to the writing of casualty policies in Texas, and this does not include special rules for experience rating, fleet rating, composite rating. There are 14 manuals which the casualty division of the Texas board is responsible for, and interpretation of these rules can be argued even by those who write them up.

Mr. Smith observed that the trend appears to be in only one direction—more rules, more regulations and more refinements.

However, much of this detail has its good points, Mr. Smith admitted. Each item was adopted only after careful study, "but I am convinced that we are at a point where we must stop, look and listen before we go one step further toward more refinements, unless this volume of detail breaks down of its own weight.

"It is important to remember that detail of a business transaction costs money and the ultimate buyer or policyholder must pick up the tab. It would seem that we are possibly at the point where additional detail will merely increase the cost without serving a worthwhile purpose."

Mr. Smith said he feels that there ought to be some pushing of a program to simplify the business and he suggested starting off with private passenger automobile liability, offering a single limit for individual owners with medical payments thrown in for the owner and his or her spouse. Medical pay and drive other car coverage for children might be included without endorsement, and certain fringe coverages could be included with a negligible effect on rates, and this would permit elimination of some rules and endorsements. On the physical damage side, comprehensive and collision could be combined with a deductible of \$25, \$50 or \$100 across the board. This would remove much of the demand for fire, theft and wind or a combination of additional coverages.

As respects fleets, he suggested a greater use of comprehensive forms would do away with the need for many endorsements. In workmen's compensation, a new policy has already been developed and filed in some states and is designed to provide complete protection with only a few endorsements. The different state laws may hamstring this to some extent, he said.

Many rules, coverages and forms are adopted or retained solely for competitive reasons. Mr. Smith opined that these might be examined with care as to their need. Splitting up a coverage into extremely small segments in order to spread it among a number of agents is neither good for the agent or the industry, he said. Although

splitting an account along proper lines is in order, the idea of dividing \$100,000 of fire insurance among 30 agents doesn't pay any of them to give the risk any service, or to give the agents a feeling of responsibility for risk.

Where the packaging of different coverages is done, so far all it does is add various coverages into a single policy or tack them on by endorsement. In many cases the endorsements are

complete policies within themselves, and this procedure does not permit elimination of a single rule or rate. The combination of a group of coverages into a mass, such as was done with comprehensive physical damage on autos, is something in the future, and Mr. Smith said the two big stumbling blocks involve rates and the ability of the customer to take such a big bite at once. The companies can work out

the rate problem, but few insured can pay the entire annual premium for all coverages at the same time.

One answer might be a form of bank deduction plan, such as the life business has done so successfully, he suggested. "We buy everything else on term, I don't see how the fire and casualty business can escape it. In fact, it may be one of the greatest boons the industry has ever experienced."



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An imposing record

The Agents of these Companies share with us pride in the fact that five of the Companies under Crum & Forster management are now in their second century.

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| UNITED STATES FIRE INSURANCE CO. | Organized 1824 | 129 Years |
| THE BRITISH AMERICA ASSURANCE CO. | Incorporated 1833 | 120 Years |
| WESTCHESTER FIRE INSURANCE CO. | Organized 1837 | 116 Years |
| THE WESTERN ASSURANCE COMPANY | Incorporated 1851 | 102 Years |
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OLD COMPANIES LIKE OLD FRIENDS WEAR WELL... Over a span of almost six centuries these companies have survived the trials of Peace and War; Prosperity and Depression; Inflation and Deflation, and have profited by the experience. They have kept faith with Agents and Policyholders—mindful of the trust and confidence reposed in them. They are old in years, but young in spirit, and have kept abreast of changing times and conditions—always adhering to sound underwriting principles. With each passing year, we have an increasing appreciation of the contribution which our Agents have made to the good name and reputation of the Companies.



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| WESTCHESTER FIRE INSURANCE CO. | Organized 1837 | SOUTHERN FIRE INSURANCE CO., Durham, N. C. | Incorporated 1923 |

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM, N. C.

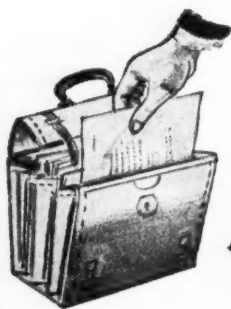


Nash to Universal Und.

George D. Nash has been appointed assistant to Victor Hamilton, manager at Portland, Ore., for Universal Underwriters. Mr. Nash has been office manager and casualty underwriter at Portland for Royal-Liverpool and be-

fore that was with Aetna Casualty in that city.

Colorado 1752 Club recently concluded an insurance clinic at Denver which included talks on highway safety, claims and the multiple location fire form.



National Notes for Producers

How to Use A Fieldman

If you have difficult problems, let the fieldman know about them *before* his next visit. Then, when he visits your agency, you can make good use of his knowhow. He can help you with file- and desk-organizing. Or with policy interpretations, rating matters, classification of risks. Or with such matters as engineering and safety work for fire and casualty—and with loss adjustment and valuation problems. And he can help you *sell*! He can help ascertain the best markets for different types of insurance—and act as service expert to convince hard-to-sell prospects. Yes, our fieldman is *trained* to serve agents. Make use of his training. At your service . . . the National of Hartford Group fieldman!



NATIONAL OF HARTFORD GROUP

Fire • Marine • Casualty

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MECHANICS AND TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY
UNITED NATIONAL INDEMNITY COMPANY

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Name New Marine Definition Corps; Include Mutual Men

The committee has now been named on interpretation of the nationwide marine definition that was created under resolution of NAIC in June at San Francisco. The selections were made by Murphy of South Carolina, the NAIC president, and were announced by Leslie of Pennsylvania, chairman of the NAIC committee on definition and interpretation of underwriting powers. There are mutual company representatives on the committee under both the fire and casualty banners, whereas there had never been such on the committee administering the old definition. The fire insurance representatives are Chase M. Smith of the Kemper companies; Felix Hargrett of Home; Harry W. Miller of Commercial Union, and J. C. Hullett of Hartford Fire. On the casualty side are F. J. Marryott of Liberty Mutual; G. F. Michelbacher, Great American Indemnity; Ellis H. Carson of National Surety; Charles J. Haugh of Travelers, Vestal Lemmon of National Assn. of Independent Insurers. The marine people are D. F. Cox, Jr., Appleton & Cox; E. J. Perrin of Automobile; M. M. Pease of North British & Mercantile; F. B. Tuttle of Atlantic Mutual, E. J. Raabe of Central Mutual. There is still one vacancy on the committee to be filled.

The new definition has already been adopted in Alabama, Alaska, Arkansas, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Nevada, New Hampshire, North Carolina, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Vermont, Virginia, Washington, Wyoming and New York.

Reserve Life Takes Slander Case to Supreme Court

Reserve Life has petitioned the U. S. Supreme Court to review the lower court decision upholding a \$8,500 verdict against Reserve Life for slandering C. H. Simpson, manager at Salem, Ore., for Reserve Life in its hospitalization and A&H department. According to the petition, the case arises from alleged shortages in the accounts of Simpson. It is in connection with the investigation of these shortages and inquiries and in the climate of mutual irritation, charges and counter charges that the words set forth in the findings of fact were allegedly spoken.

The decision in this case, according to Reserve Life, is of great importance in the insurance industry as a whole. If every time an investigation is made by the employer of possible shortages in employees' accounts it is faced by the probability of a suit for slander, the operations of the companies will be seriously hampered. Reserve Life said that the case becomes even more extreme where, as here, there are large shortages which the manager or sales agent cannot or will not explain. If in such circumstances the attempt of the employer to clear up the shortages is to make him liable in damages for slander, then it is apparent, according to the petition, that no employer can seek to clear up such shortages and there is no incentive to the employees for honesty and efficiency. "No large business or organization can long exist in such a climate," the petition said.

The petition says that several of the words were spoken by employees of Reserve Life to other employees in the process of attempting to clear up the records of the Salem office. These words, according to the petition, were

clearly privileged as being in the public interest and yet the lower court held that the trial court was correct in holding that none of the alleged words were spoken in good faith or in pursuance of any duty, so to speak, nor were they conditionally privileged.

Dixie CPCU Unit Elects

An all-Atlanta slate of officers was elected to head Dixie CPCU chapter for the coming year. John S. Greenfield of Haas & Dodd agency is the new president, succeeding E. W. Devine, bonding superintendent of American Surety's southeastern office. Edward M. Sanders, chief underwriter of Georgia Casualty & Surety, was elected vice-president, and W. Horace McEver of Spratlin, Harrington & Co., secretary-treasurer. The Dixie chapter is composed of members from Georgia, Alabama, Florida, North and South Carolina.

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● Insurance coverage based on Continuous American Appraisal Service prevents hazardous under-insurance and costly over-insurance. Such service expedites equitable loss adjustments as well. In the interest of your client, insist on appraisals by

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Fortune Has Penetrating Study of Livonia Fire

Fortune magazine in its November edition carries an article that will be fascinating to fire insurance people entitled "The Great Livonia Fire", the author being William B. Harris. This tells in a graphic and personalized way the story of the granddaddy of all industrial fires and the heroic measures taken by General Motors to get back into Hydra-matic production again. But the most interesting part from the insurance standpoint comes last when the author goes into the insurance and fire protection features of this loss and tells what the General Motors program is in this connection.

Fortune said that the day after the Livonia fire, industrialists throughout the country called for reports on fire protection and insurance coverage and these matters have been studied from coast to coast. Automatic sprinkler manufacturers can look for a boom in business. "It is argued well by them, by the Factory Insurance Assn. and by most fire underwriters," the article states, "that fog or water can limit the spread of fire and keep steel from buckling as it did at Livonia. To be effective, of course, sprinklers have to start when the fire starts; by the time the Livonia fire reached the plant's sprinkler-protected areas (180,000 square feet, 3,740 automatic sprinklers), those places burned just as fiercely as the rest of the plant."

Advocates of plant compartmentation point to Livonia's still standing administration building protected solely by masonry wall. Fire walls certainly will contain a blaze but no one knows what might have happened to the occupants if Livonia's fast fire and killing smoke had got started in a compartment smaller than a 1 1/2 million square feet where three lives were lost anyway.

How rust-proofing oils should be used, where they and other liquid combustibles should be stored, the relative merits of blanketing foams and deadening gas, the number of hand and cart extinguishers needed in a dangerous area, are all under study by safety engineers everywhere. Architects and builders are raising questions about flat roofs (an old-fashioned manually ventilated saw-tooth roof might have let the smoke out and the fire department in at Livonia); about the use of steel sheeting in roofs (four inch concrete slab takes longer to fall than the 18 gauge steel); about the location of main electric conduits (when the exhaust fans stopped six minutes after the fire had started, Livonia was lost).

According to Fortune, President Harlow Curtice is the G. M. man that is doing most of the study. Fortune said probably the only certain thing that the fire proved was that any man-made object can burn if every factor is adverse and remains adverse from the moment the first flame appears as happened at Livonia. Beating every adverse factor is the task that Curtice has shouldered according to the article.

There was no central group in G. M. with top authority to consider broad protective problems, according to Fortune. G. M. has been following city fire codes and relying on the advice of outside authorities for solving fire protection problems. Each division could accept or reject advice from under-

writers more or less at will, and did, "for underwriters rarely argue aggressively with large and respectable clients." The result in G. M. was that each division, motivated largely by balancing all factors of cost, built as it pleased with no thought of an overall protective position for company and workers alike. Mr. Curtice began to change all this within a week after the fire, the article said. The earliest move was to seek out obvious hazards, but then there was launched a long-term program which is the formation of a G. M. building code that Mr. Cur-

tice hopes will be a model for industrial and insurance executives. G. M. has the facilities and money to produce such a code. For instance, it has the \$100 million scientific research center outside of Detroit. There could be put up a series of structures and with scientific precision all the adverse fire factors could be put in perfect balance and the burning be studied. "You never know for sure, of course," Mr. Curtice was quoted as saying, "but those fellows might come up with some highly valuable information."

According to Fortune, the fire pro-

duced an indicated loss of automotive assemblies of about 75,000 units, which is about equal to Hudson's total business last year.

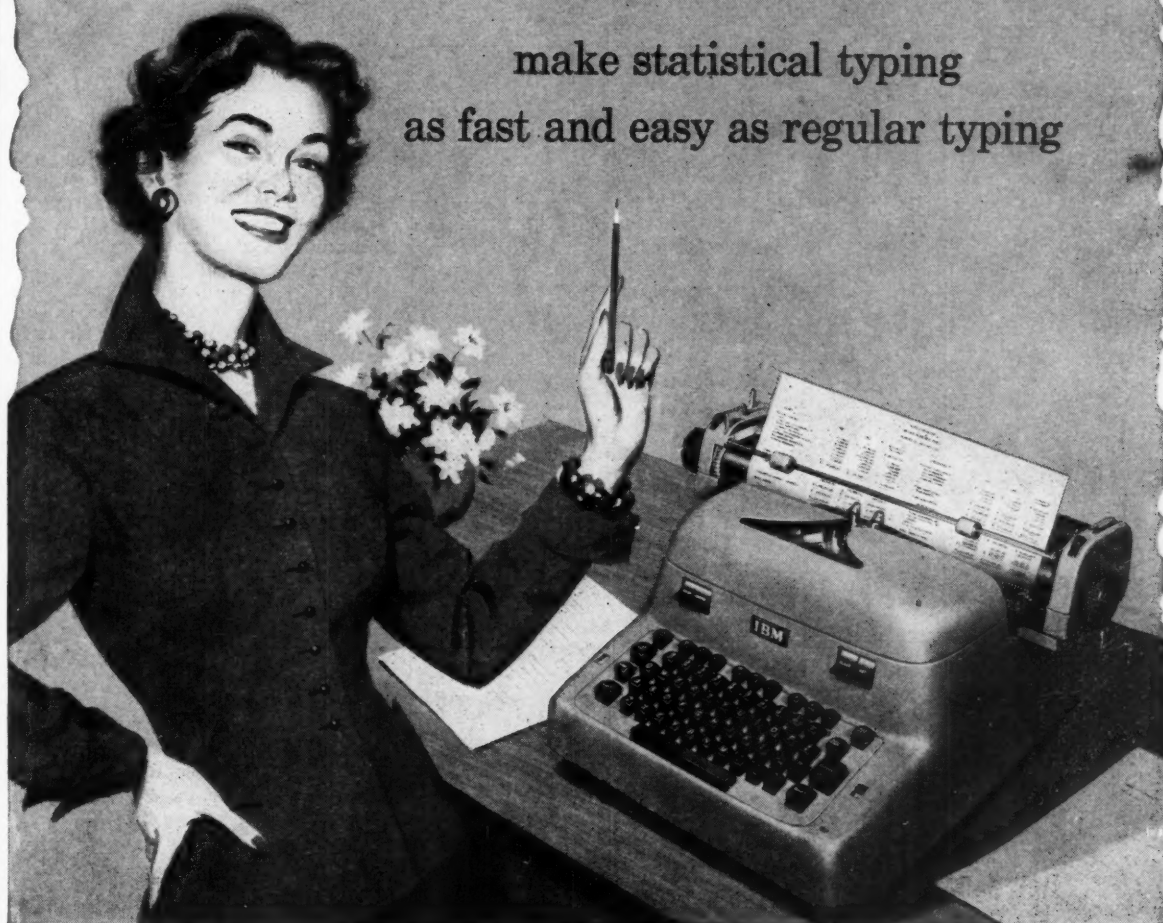
Francis Evans, director of applied engineering of American District Telegraph Co., addressed the luncheon meeting of Chicago chapter of Society of Fire Protection Engineers.

W. E. Phillips and George P. Delivorias have organized Mutual Insurance Agency in the Puller building, Starkville, Miss. They advertise that their companies pay 20% dividend on fire insurance.

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Advertising Listed for November Issues

Following is the national advertising which fire and casualty companies have reported for November issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

Aetna Fire—Newsweek, Nov. 9; Pathfinder, Nov. 4; Time, Nov. 2; U. S. News & World Report, Nov. 20.

American Credit Indemnity—U. S. News & World Report.

America Fore—Country Gentleman; Fortune; Life, Nov. 16; National Geographic; Newsweek, Nov. 30; Saturday Evening Post, Nov. 7; Successful Farming; Time, Nov. 23.

American Foreign Insurance Assn.—Time, Latin America and Pacific, Nov. 2; Visao, Nov. 13.

American Mutual Liability—Business Week, Nov. 21; Harvard Business Review; Newsweek, Nov. 23; Time, Nov. 16.

Boston Insurance Co.—Christian Science Monitor—Nov. 11, 15.

Employers' Group—Time, Nov. 23. Great American Group—Saturday Evening Post, Nov. 21.

Hardware Mutuals—Business Week, Nov. 7; Nation's Business; Newsweek, Nov. 16; Time, Nov. 2, 30; U. S. News & World Report, Nov. 27.

Hartford Accident—Better Homes & Gardens; Business Week, Nov. 14; Life, Nov. 16; National Geographic; Nation's Business; Newsweek, Nov. 23; Pathfinder; Saturday Evening Post, Nov. 7; Time, Nov. 2.

Hartford Fire—Farm Journal; Nation's Business; Pathfinder.

Home—Better Homes & Gardens; Business Week, Nov. 14; Farm Journal; Nation's Business; Time, Nov. 9; U. S. News & World Report, Nov. 13.

Maryland Casualty—Saturday Evening Post, Nov. 21.

National Board of Fire Underwriters—Better Homes & Gardens; Farm Journal; Look, Nov. 17; Saturday Evening Post, Nov. 28; This Week, Nov. 8; Time, Nov. 23.

North America—American Home; Better Homes & Gardens; Nation's Business.

Phoenix-Connecticut Group—Nation's Business; Pathfinder; Saturday Evening Post, Nov. 21.

State Farm—California Farmer, Nov. 28; Collier's, Nov. 7; Pathfinder; Progressive Farmer; Saturday Evening Post, Nov. 14; Successful Farming.

Plan L. I. Education Center

NEW YORK—Nassau County Assn. of Insurance Agents and the Long Island branch of New York City Life Underwriters Assn. are cooperating with Insurance Society of New York to establish an educational center at Hempstead. Instructors will be Frank E. Tullis of the marine department of the America Fore group, and B. J. Lytle, manager for New England Mutual Life at Hempstead.

Loyalty Group Ups Trotter

Harry A. Trotter, who has been secretary of the Loyalty group, has been advanced to 2nd vice-president. He joined the group in 1934.

Lennon Leaves Mich. Department

David Lennon has left the examining force of the Michigan department after 11 years service. He is vacationing for a time before announcing his new connection.

The Seattle office of General Adjustment Bureau is now in a new location at 2217 Fifth avenue.



It's a GOOD POLICY

...to protect your client from any insurable loss; in fact, that is your duty and obligation. Any resentment of your persistence is likely to be mild compared to his reaction in the event of unforeseen catastrophe!

One of a series of Helpful Hints from Successful Agents. Watch this column for more.

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INTERNATIONAL FACILITIES
WORLD-WIDE SERVICE

Rake in \$750,000 Through Ruse of \$10 Mo. Ghost Insurers

Two men who bought two of the so-called \$10 Missouri farm mutuals some time ago and used them as a vehicle for some fancy mail order insurance schemes in the east are scheduled to go on trial at Camden, N. J., Nov. 2, before Federal Judge Madden. They were indicted on 20 counts of using the mails to defraud. Previously they were convicted on a charge of operating an unlicensed insurance agency in New Jersey. The two are George E. Bayer, who is 43 years old and gives his address as Philadelphia, and the other is John Markle, 45, of Palmyra, N. J. Bayer had the title of president of Central Safety Mutual and Markle was treasurer.

They also had a company called Niagara Mutual and another called Merchants Mutual Casualty. These apparently were companies that got their being under the Missouri farm mutual act which provides for setting up companies for a \$10 bill that are completely free from supervision of the insurance department. Missouri thus becomes the possible happy hunting ground for the worst kind of insurance con men.

The United States attorney's office at Camden was quoted as saying that these outfits collected a total of \$750,000 in premiums from about May, 1950, to March 7, 1951, through these \$10 ghost companies from Missouri. They bought the charters of Central Safety and Niagara for \$375 each.

The operators conducted most of their depredations in the east and practically nothing was heard from them in the middle west, although they were supposed to be Missouri companies.

Roy O'Connor to General Re in Midwest Post

Roy F. O'Connor, formerly secretary of Excess of America, has joined General Reinsurance as assistant secretary. He will be located at Kansas City, with Vice-president Charles W. Hall, who is in charge of the mid-west territory.

Leslie Husted, formerly home office claims examiner for Hawkeye Security, has joined General Re to supervise claims activities at Kansas City.

Mr. O'Connor was with Excess 13 years and had been secretary since 1951. He was educated at Loyola and Fordham and for 10 years was with Compensation Insurance Rating Board of New York.

Mr. Husted graduated from Kansas City school of law and was admitted to the Missouri bar in 1934. He was a trial assistant at Kansas City for several years, later did claim work there for U.S.F.&G. and General of Seattle.

Plan Southwest Conferment

Newly designated C.P.C.U.'s in Texas and Oklahoma were given their diplomas Oct. 23 at all-industry luncheons.

George Esker, division manager of General Adjustment Bureau in the southwest area made the presentations and gave the address at Oklahoma City, and at Houston the speaker was

Hal Gullidge of the Gullidge agency, past president of the national society.

Plan Centennial Insert

In connection with the centennial of Louisville Board of Insurance Agents in February, the Courier-Journal has arranged for a rotogravure section in the issue of Sunday, Feb. 14, which will recount the colorful history of the board, the development of the Louisville fire fighting system and a review of river traffic 100 years ago, when marine insurance was a big thing with the local agent.

N.Y. OKs Marine Definition

New York has approved the new nationwide marine definition.

To Observe 40th Year

San Antonio Insurance Exchange will observe its 40th anniversary Nov. 19 with an "Insurance Day", concluding with a banquet honoring Francis F. Ludolph, the only secretary the exchange has ever had.

Melvin Miller, Fort Worth, past-president of N.A.I.A., and other promi-

nent insurance men in Texas and elsewhere have been invited to be guests of the exchange.

Mutual company accountants and office managers in the Minneapolis area will meet Oct. 30 to organize an association to discuss their common problems. Harry Hord of St. Paul Mutual is the temporary chairman.

Gladson & Kite of Atlanta have been named general agents in Georgia for Standard Marine to handle fire and marine business.



Another member of the
Houston-American Group
ready to *Serve You!*

FIRE • CASUALTY • MARINE

an agency company

The Houston-American Insurance Company, a multiple line company, began operations this month with a paid-in capital and surplus of \$500,000 cash.

The fire and casualty company, the newest member of the Houston-American Group, brings to its assureds and agents a strong financial position and capable administrative guidance under the experienced direction of Rolan C. Kennell, nationally known insurance executive. His thorough knowledge of insurance problems and Houston-American's enviable reputation of excellent service assures its clients the finest and most complete protection always.

For the best in insurance coverage . . . ask for Houston-American first.

capital and surplus \$500,000, all paid in cash

Houston-American Insurance Co.

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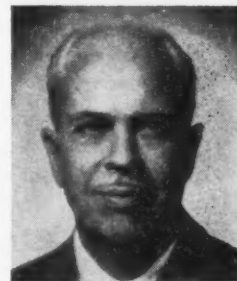
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MARK V. ENRIGHT
President



H. WALKER JORDAN
Executive Vice-President



ROLAN C. KENNEL
Vice-President
of Operations



Roy F. O'Connor

Am. Mutual Alliance Program Announced

The program is announced for the convention of American Mutual Alliance at the Edgewater Beach hotel, Chicago, Nov. 16-18. At the same time there will be meetings of Federation of Mutual Fire Insurance Companies, National Assn. of Automotive Mutual Insurance Companies, National Assn. of Mutual Casualty Companies, Mutual Loss Research Bureau, Transportation Insurance Rating Bureau, Associated Lumber Mutuals, Improved Risk Mutuals and Mill Mutuals. There will be some 4,000 items in the exhibit of Mutual Insurance Advertising Assn.

The outside speakers include C. S. Laidlaw, manager of Federal Crop Insurance Corp.; Dr. Clark G. Kuebler, president of Ripon College; Roger Kenney, insurance editor of U. S. Investor who will speak on the insurance policies of lending institutions; Robert A. Shiff of National Records Management Council, who will speak on how to deal with the growing burden of paper work. John A. White of John Hancock Mutual Life will speak on the relationship between production and cost control and Professor Nugent Wedding of University of Illinois school of mar-

keting will discuss advertising media. J. H. R. Timanus of the Philadelphia reinsurance firm of Booth, Potter, Seal & Co. and L. A. FitzGerald of American Mutual Alliance will speak on 200 years of mutual insurance in America. Paul S. Wise of American Mutual Alliance, J. P. Craugh of Utica Mutual and J. M. Sweitzer of Employers Mutual Liability will talk on the problem of the financially irresponsible motorist.

H. J. Ginsburg of American Mutual Liability will talk on products liability and excess limits, and R. O. Bennett of National Assn. of Automotive Mutual Insurance Companies will outline developments in highway safety programs.

Gordon Davis of Mutual Loss Research Bureau will speak on tornado losses and G. D. Haskell on mutual insurance committee on federal taxation of insurance companies.

Robert Froehke of Hardware Mutual Casualty will speak on what the public thinks about health, hospital and medical insurance and Mark Kemper of Lumbermen's Mutual Casualty will speak on investment problems of insurance companies.

F. F. Alexander and K. T. Call of Liberty Mutual will speak on "Play for Your Life." Roger Crafts of American

Mutual Liability will speak on insurance educational problems; Noel F. Symons, Buffalo attorney, on insurance aspects of industrial noise and Carl N. Jacobs, Hardware Mutual Casualty, on insurance activities of U. S. Chamber of Commerce. Howard Heath of Northwestern Mutual Fire at Chicago will speak on high cost of adjusting fire and automobile physical damage losses and Earle Heffley of Lumbermen's Mutual Casualty will speak on television as an insurance advertising medium.

Reasons Traced for Phenomenal Growth in Automobile Premiums

From an observer of the auto insurance competitive scene:

Not many in the business seem to realize what is behind the phenomenal growth of automobile premiums. My analysis is rather rough but pointed, I think. There are more than twice as many cars in all of the principal cities, which is where the direct writers are doing most of their business. The number of people buying liability insurance has increased from 30% to over 90%, or threefold, as the result of the financial responsibility laws. Rates have more than doubled since the end of the war and especially in the larger cities. When you multiply these factors together you have a twelvefold increase and two-thirds of the buyers contributing to the increase are buying because they feel as though they are forced to by law. Consequently, they are going to buy like they buy groceries, at the lowest possible cost.

There has been a void in this respect in the agency ranks and that is the reason for the birth of Safeco of the General of Seattle group. It is meeting with an enthusiastic reception among those who may enjoy its fruits. Among the rest of the fraternity only sour notes are presumed, or should I say sour grapes.

Am. Surety Managers Meet

Managers of American Surety's 39 branch offices throughout the United States and representatives from the company's Canadian and Mexico affiliates, Canadian Surety and Compania Mexicana de Garantias, will attend a 4-day conference at New York city beginning Nov. 3 and continuing to noon Nov. 6. W. E. McKell, first vice-president, will preside.

R. & S. Has New Booklet

Recording & Statistical Corp. is one of the exhibitors at the National Business Show at New York this week, and aside from a display explaining the services, the R. & S. people are distributing a new pamphlet which explains in detail the various services that they offer.

Drilling Loss Seminar

A seminar on drilling rig losses was conducted in the southwestern department of General Adjustment Bureau recently. Nine of G. A. B.'s senior adjusters participated in the seminar which included studies of an operating scale model of a submersible barge-mounted rig and field trips to study land and power rigs. There was also some time spent on valuation surveys.

Mo. Farm Mutuals Elect

R. Z. Cason of Macon was elected president of Missouri Assn. of Farm Mutual Insurance Companies at its annual meeting at Jefferson City. Vice-presidents are Gerald Joeche, Friestatt, and Ira Browning, Jefferson City; secretary, John C. Stapel, Columbia, and treasurer, William Russell, Harrisonville.

E. H. Henning To Be Ill. Federation Head

The names of the principal officers on the slate of the nominating committee for Insurance Federation of Illinois are made known in advance of the annual luncheon at the Palmer House, Chicago, Nov. 3. Harry Fuller, who is manager of National Bureau of Casualty Underwriters, and is the outgoing president, becomes the new chairman. Eldridge H. Henning, who is president of Central Standard Life, is named as the new president. First vice-president on the slate is Charles C. Rauschenbach, manager of Ocean Accident. Florence M. Manson is nominated for executive secretary-treasurer. She has been the assistant secretary and the principal headquarters personage since the retirement of Mrs. Lillian Herring Fuller.

Insurance Director Barrett will be the principal speaker.

Program for Meeting of Maryland Agents Readied

The program of Maryland Assn. of Insurance Agents annual meeting at Baltimore Nov. 4-5 has been completed. Raymond A. Tucker of Pittsburgh, past president of the Pittsburgh association, will discuss "Developing Your Agency to Meet Competition" at the opening luncheon. The business session will be held that afternoon and the banquet in the evening.

William J. Graul of the Stimmel & Graul agency, Allentown, Pa., will talk on local board public relations. J. Frank McClure of Loudonville, the member of the Ohio assembly who wrote the anti-coercion bill that was upheld by the U. S. Supreme Court, will discuss Ohio's legislative picture, and Joseph A. Neumann of Jamaica, L. I., vice-president of NAIA, will talk on compulsory auto insurance and unsatisfied claim funds at the Thursday session.

Adjustment Problem Panel

A panel discussion on "Claim Managers Adjustment Problems" presented at a meeting of the St. Louis Claim Men's Assn. had John Gray, Iowa National Mutual, as moderator. Panelists included Henry Hoffmann, National Automobile & Casualty; George Cofelt, Lumbermen's Mutual; Bud Milford, American-Associated, and Harry Carrier, General Accident.

Royal-Liverpool Men Confer

Royal-Liverpool is holding a series of regional managers conferences at New York this week.

Pioneer Agency Expands

John R. May and Robert J. Stallman, Jr., who operate the Pioneer agency at Minneapolis, have purchased a portion of the William Peet agency. They are taking over the Dick Das agency account from the Peet firm, and are establishing new offices in the National building. Earlier in the year, the Pioneer agency bought out the insurance department of Gervais & Hunter Realty Co.

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| FIRE INS. LOSS MANAGER | \$9,000. |
| Not over 45. Fine opportunity. Chicago Co. | |
| FIRE INSURANCE SALES DIRECTOR | \$9,000. |
| Management exp. desirable. Ability to train & supervise. | |
| COMP. & LIAB. UNDERWRITER | \$7,200. |
| Heavy experience. Chicago. | |
| EXP'D BURGLARY & PLATE GLASS UNDERWRITER | \$5,000. |
| LIAB. & P. D. CLAIM ADJUSTER | \$5,500. |
| 4 Years' exp. PROPERTY DAMAGE CLAIMS EXAMINER | \$5,000. |
| These and many others now available through our insurance section. | |
| CADILLAC EMPLOYMENT AGENCY | |
| 220 So. State St. | |
| Chicago, Ill. | |

To Agents and Brokers:
This ad in newspapers throughout the country will help you sell Business Interruption Insurance. We shall be glad to provide you with copies of a brief mailing piece on this subject.

Buyer should know—No. 66

Way to Insure Tomorrow's Earnings!

Over 40% of all businesses damaged by a serious fire or windstorm never reopen—even though most of them have insured their buildings, fixtures and stock. The reason, of course, is that few businesses can stand the drain of a long period without earnings while repairs are being made.

Such failures need not happen. A business can insure the earnings it might lose after a fire or other disaster. Called *Business Interruption Insurance* or *Earnings Insurance*, this form of protection affords the businessman a much-needed cushion against misfortune. *Earnings Insurance* protects a firm not only against the total loss of income resulting from a complete shutdown, but also against a partial loss in earnings if it is unable to carry on some portion of the business.

There is nothing complicated or expensive about *Earnings Insurance*. It is highly useful and ordinarily costs less per \$100 of coverage than insurance on your building and other physical assets. Yet a loss in income could be much more serious than the property loss you might suffer.

Ask a competent, independent insurance agent or broker to help you determine how much *Earnings Insurance* you need to protect your business against failure.

Business Established 1842

THE ATLANTIC COMPANIES

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Fire, Marine and Casualty Insurance

WOOD TELLS ACCOUNTANTS

Item Count on Agency Work Essential if Policy Is to Be Made Intelligently

In the accounting procedure of his agency, Donald M. Wood of Childs & Wood, Chicago, told Insurance Accountants Assn. at its Philadelphia conference, one item produced is a statistical copy of the agency's bill from which the agency is able to obtain very detailed information on insurance written by producer, by kind of insurance, by company and by agency underwriting department. This information is put on punch cards, and the reports that the agency receives monthly show the premiums written, brokerage commission payable, overwriting commission, and the number of items or transactions.

Mr. Wood considers the item count important information. Its purpose is to measure in a rough way the amount of work done in the office. Many office operations involve approximately the same amount of time regardless of premium size. For example, the preparation of the bill set and ledger account takes just as long for a \$5 fur policy as for a \$25,000 workmen's compensation policy. The latter of course takes more time in the underwriting department.

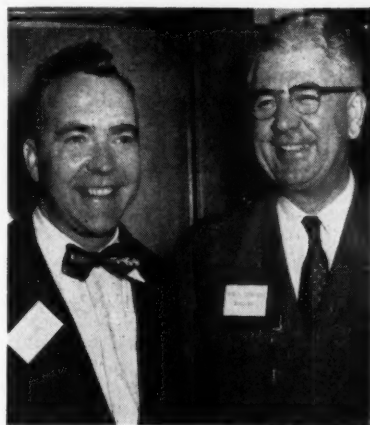
However, the agency believes that in the absence of time study information the item count is a practical measure of its work unit.

Assuming for the moment that all insurance written by the agency is sold by brokers or producers paid on a commission basis, the agency must get enough overwriting commission to cover the cost of operating the office as far as internal functions are concerned. How does it know it is receiving enough overwriting to do this? Taking the business as a whole, this

of course is an easy problem to solve. But the agency is also interested in the amount of overwriting commission it receives on the business produced by each salesman so that it can determine which is the most profitable salesman from the agency point of view. Until the agency makes an analysis of this kind, it will have no idea of the tremendous differences in the profitability of its salesmen.

For example, this agency has two producers who write about the same premium volume and for the sake of illustration, one writes in a given time \$30,000 and the other \$26,000 of premiums. The overwriting commission on

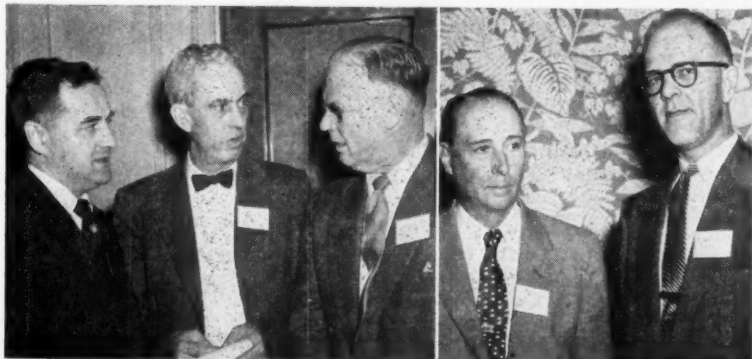
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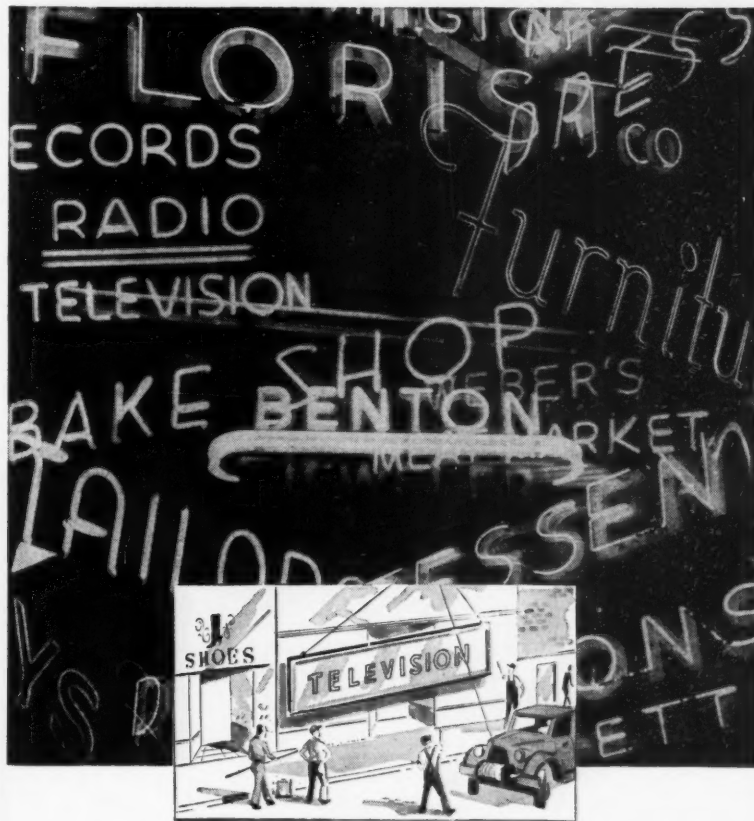
Wisconsin Assn. of Insurance Agents leaders, shown at Milwaukee annual: John J. Batenburg, Racine, vice-president, and Don R. Morrissey, Appleton, president.



Pictured at Milwaukee during the WAIA annual convention there: George A. Timm, Kenosha, chairman; Urban Krier, former executive secretary who now is with U. S. F. & G. at Milwaukee; Arthur R. Setz, Waterloo; Robert G. Petri, Fond du Lac, and Robert McKenna, Green Bay.



Attending the Milwaukee convention of Wisconsin Assn. of Insurance Agents were John Carney, Eau Claire; Henry H. Bush, Madison; Paul E. Holden, Superior; G. E. Schwarm, vice-president of Milwaukee Board of Underwriters, and Edward Westphal, Milwaukee.



When a man puts up a sign...

he never expects his business life to flicker out. To the contrary, he expects to stay in business...today, tomorrow, in fact until he's old and gray.

Naturally he has Fire Insurance—he thinks it does the job. The fact that his income stops when he's temporarily "out of business" following a fire, windstorm, explosion or other disaster doesn't enter his mind. Chances are that he has never even heard of Business Interruption Insurance.

Too many businesses never open up again...because they don't have Business Interruption Insurance.

Any time you want Business Interruption Insurance prospects there are plenty of signs pointing where to find them.

(Nothing can point up the need for Business Interruption Insurance more concretely than the recent widely-publicized accounts of the big industrial fire not covered by Business Interruption Insurance.)

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Harold Gordon Award Goes to U. of Pa. Prof.

Oliver D. Dickerson, Jr., of Philadelphia, an instructor in insurance at the University of Pennsylvania's Wharton school of finance, has been selected to receive the 1953-54 Harold R. Gordon award of H. & A. Underwriters Conference.

The award carries a grant of \$1,500

to assist Mr. Dickerson in the preparation and publication of a thesis in the field of health and accident insurance.

Mr. Dickerson was appointed an instructor at Pennsylvania in 1948. He later left the university for three years to become a life insurance agent before his return to teaching in 1952. He is a C.L.U.

The Gordon award was established

in 1950 by the conference. By the terms of the award the department of insurance of the Wharton school is responsible for selection of a suitable topic and for supervision of thesis preparation and publication.

Try to Whip Up Sentiment for Public Hearings in Ind.

The Indianapolis Star has been running a series of articles by Lester M. Hunt to try to whip up sentiment in favor of having automobile insurance rate change proposals open to the public from the moment of filing. The headlines indicate the tenor of the articles. "End to Secrecy in Awarding Insurance Rate Hikes Demanded", is one, "State Insurance Commissioner Opposes Open Hearings on Rates", is another, and "Secret State Insurance Rate Fix to Face Change in '55 Assembly" is a third.

Hunt hangs most of his quotes on Rep. George S. Diener and Secretary of State Crawford F. Parker.

Commissioner Wells was quoted as opposing open rate hearings and saying that insurance and public utilities are far different. The utilities are a monopoly and the hearings on their rates should be open, he said. However, there is no danger of automobile insurance business becoming a monopoly. Competition takes care of that. He said there are 21 different rate filings from 150 insurers in Indiana.

Secretary of State Parker, who obviously doesn't know the facts of life competitively in the automobile insurance business, said the danger exists that the companies could suddenly band together secretly, obtain new rates secretly, and the public would remain in the dark until the insurance commissioner announced it. The public, he said, should be allowed to make its protest before the rates have been approved and participate in the preliminary hearings.

Rodman in Tenn., Ky. Field

John E. Rodman has been appointed special agent for west Tennessee and southwestern Kentucky by Hartford Accident. He will work out of Jackson, Tenn. He attended Miami University, was with Pittsburgh Plate Glass several years and after army service joined Hartford Accident as a payroll auditor at St. Louis. In 1948 he was transferred to Memphis in the same capacity.

Kansas Claims Assn. Meets.

The newly formed Kansas Claims Assn. conducted its fall meeting at Manhattan, Oct. 23-24. There was a talk by Commissioner Sullivan of Kansas, a discussion of occupational diseases by Edward Curry, Kansas workmen's compensation commissioner, and a presentation on the evaluation of automobile damage by Robert A. Tapscott of Automobile Damage Appraisers, Kansas City.

Insurance Institute Rally

Insurance Institute of America will hold its annual meeting at New York City Nov. 12.

Boston Has Cal. U. & O. Plan

Boston is selling in California what it calls a valued per diem business interruption policy intended for the small merchant.

Minn. Marine Definition Hearing

A hearing on adoption of the new uniform marine definition will be held by the Minnesota department Nov. 17.



YARDSTICK—

to the man who works

- hours
- wages
- vacations
- pensions
- proximity

are important items.

All are easily measured.

Equally important are the intangibles

- the aims
- the philosophy
- the attitude

of a prospective employer.

Difficult things to measure—harder to explain.

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Each plant is equipped to provide you with forms that are superior in appearance, color, format and creative design. (Snap-out, if desired.)

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

THE CHAIRMAN

Nothing in Career of F. W. Lafrentz Is As Remarkable as His Warm Personality

By Kenneth O. Force

In variation and kinds of careers, F. W. Lafrentz, chairman of American Surety, has doubled the span of ordinary men. Also, at 94, he has worked twice as many years as the ordinary individual. Starting before Wyoming was admitted to the union as a state, an event with which he had something to do, Mr. Lafrentz has been making and adding to a distinguished career that still goes on.

He has spent 60 years with American Surety, starting out as a claims examiner in 1893, later becoming comp-

so long a period indicates, he is a man of great energy. He likes life and enjoys it, getting much satisfaction out of each day that goes by, and he infects those around him with his quiet but constant appreciation for the privilege of living.

Born in 1859 of German parents on the island of Fehmarn, then a part of Denmark but later annexed by Germany, Mr. Lafrentz came to the United States when he was 14. An aunt and uncle operated a store in Chicago, and there he went to work. For six years his school was the store. In 1879 he enrolled as a student at the Bryant and Stratton Business College, a year before he became an American citizen at the age of 21.

He had to ask his uncle for time off to go to the Bryant college because the store was open at night until a fairly late hour as well as in the day time. One evening he wrote a letter to his family in Germany and said that he did not want to be a clerk in a store all his life, and that he was studying accounting. He left the letter on his bureau when he went downstairs to dinner and his aunt read it. She conferred with his uncle and they suggested that he had better find another job.

At that point, he approached an acquaintance of his who was a professor at a business school.

"Will you pick peaches in Michigan?" the professor asked. He said he would.

"Perhaps you will not have to," was the reply. He took him to the Metropolitan College and the proprietor put him on at \$6 a week. He became assistant to the head of the department. When his professor friend went back to Bryant, Mr. Lafrentz was urged to go along and he did so, at \$15 a week.

He was in the practical accounting section and had to answer questions of students, many of whom worked for banks and other business firms. He made friends with the students as he went along—"So they wouldn't be hard on me if I made a mistake," he comments. Eventually he became head of the department.

Then Syndacker & Co. offered him the job of chief clerk. The head of the bank was treasurer of a Wyoming cattle company. Mr. Lafrentz began to work on this account and when the president of the company read one of his reports he asked Mr. Lafrentz to go west and take over the financial and other responsibilities in Wyoming.

He spent 10 years in the cattle business. It was during this time that he married Emma Louise Poole of Brooklyn, 1885. The ceremony was per-

formed by Henry Ward Beecher.

He recalls that one day when he went into the bank in Laramie, a teller called over to him, "Say, tenderloin, there is a \$50,000 check that you put through. We paid it, but you have no signature on file with the bank." Mr. Lafrentz admits that he would not bond a bank that would cash a check under such circumstances, and he did not think even then that it was a good practice.

It was during this time that Mr. Lafrentz had his experience as a legislator. One evening a friend suggested that they drop in on a Democratic caucus. Just as they entered the room, the chairman was discussing with others the question of who should head the delegation in the legislature. As Mr. Lafrentz entered the room, the chairman looked up and said, "I nominate F. W. Lafrentz." "Where the hell is he?" someone asked. "Right there," the chairman said. He was named to head the ticket.

He introduced the joint resolution requesting that the territory be admitted into the union, which it was in 1890. A fellow legislator who became a life-long friend was Willis Van Devanter, later justice of the Supreme

Court.

Storms broke the back of the cattle business in the late 1880s, and the cattle company which Mr. Lafrentz was managing for its Scottish owners went to the wall. So, in 1889 he went to Ogden, Utah, and opened an accounting office. In addition, he became secretary-treasurer of the Ogden Rapid Transit Co. These activities did not provide outlet enough for his energies. He studied law and was admitted to the bar.

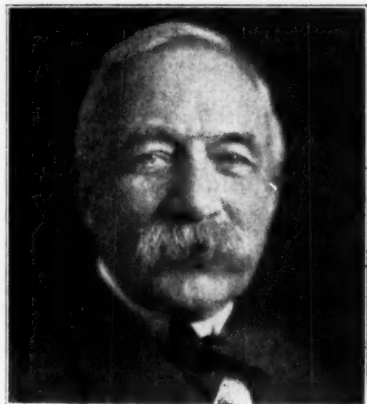
Thus, early in his career, he acquired a sound foundation in accounting, law and finance, major elements in the operation of an insurance company.

Mr. Lafrentz gives the strong impression that he believes he is lucky, that events have been propitious for him, that he has been the beneficiary of coincidence. Here is an example.

Henry C. Willcox, counsel of American Surety and dean of surety lawyers in his day, stopped off in Ogden in the summer of 1893 to visit the Lafrentzes. (He had been best man at their wedding.) He was enroute to San Diego to settle some bank embezzlement claims.

He was so worn out with work and travel that he sat down in the station

(CONTINUED ON PAGE 26)



F. W. LAFRENTZ

troller, vice-president, and in 1912 president. In 1926 he became chairman, and in 1932 his son, Arthur F. Lafrentz, who has spent 40 years with the company, became president.

In addition to guiding American Surety to a major position in its field over more than half a century, Mr. Lafrentz and A. F. Lafrentz are senior partners in the public accounting firm of F. W. Lafrentz & Co., which, founded in 1899, has offices in the principal cities of the United States. In 1913, long before a great many other companies had discovered the wisdom of doing so, he formed an insurer to operate in Mexico and one to operate in Canada, Compania Mexicana de Garantias and Canadian Surety. Both ventures have proved highly successful and have earned the kind of esteem in those countries that American Surety holds in the U. S.

But aside from Mr. Lafrentz's long and distinguished career, studied by notable contributions to the bonding and insurance business, to accountancy and to charity, the remarkable and memorable fact about him is his warm, human personality, and his deep and genuine liking for people. As the amount of work that he has done over

Q. & A. on Risk Situation Throw Light on Auto Classification Plan

The automobile division of National Bureau of Casualty Underwriters, of which W. H. Brewster is manager, prepared a series of questions and answers to explain points about the new classification plan for private passenger automobiles which producers and underwriters raised the most frequently. These are given below. It also prepared a series of risk situations and these are presented, with the applicable classification indicated at the end of the presentation of each situation.

Bureau representatives have found that these two presentations cover the majority of important queries that arise. The classification plan has been approved in about 25 jurisdictions.

Q. What type of private passenger risk is contemplated by the lowest rated Class 1A?

A. Class 1A applies to individually owned private passenger automobiles used only for family and pleasure use excluding use required by or customarily involved in the business or occupation of the insured and excluding use customarily in the course of going to and from work. Also, class 1A applies only if there is no operator under 25 years of age resident in the insured's household or employed as a chauffeur.

Q. What is the meaning of "customarily"?

A. The term "customarily" shall in-

clude the use of the automobile in the course of going to or from work as little as one day a week or its equivalent. It should be noted that the car need only be used to or from work rather than two way travel. Any regular use of the automobile in a car-pool or other share-the-ride arrangement also comes within the meaning of "customarily" even though the automobile is used for such purposes less than once a week.

Q. What is meant by "in the course of driving to or from work"?

A. This language has been used in order to make it clear that the automobile need not be used all the way to or from work but may only be used to go part way with other transportation, such as railroads or public bus lines, used for the remainder of the distance.

Q. If a car is customarily used in the course of driving to or from work, does it make any difference whether it is driven to a point in a higher rated territory?

A. No. If the automobile is used in going to or from work, the rate is determined as usual, on the basis of the territory where the automobile is principally garaged.

Q. Is the definition of farmers the same as under the previous plan? What about the rates?

A. Yes. The rates for farmers are newly shown on the state rate sheets and include farmers' discount which

(CONTINUED ON PAGE 26)

Hanover Names Gunther as State Agent in So. Ill.

Charles J. Gunther has been appointed by Hanover as state agent in central and southern Illinois, the territory that has been handled by R. P. White, state agent, who has been pro-

moted and transferred to Indiana. Mr. Gunther has been in the business for 17 years. He was with Springfield F. & M. in the western department office at Chicago and at the home office for 13 years before going into the field, for two years in Kansas, and then for two years in Illinois. His headquarters will be at Springfield.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Exchange Ins. Co. Is New Ill. Insurer

Exchange Insurance Co. is in process of being formed at Chicago. This will be affiliated with Exchange Insurance Assn., which is a reciprocal, and will be used for underwriting automobile and general liability lines. They will start off with \$200,000 capital and \$125,000 net surplus. Samuel Bergmann will be the president, Kurt Hitke executive vice-president, Robert L. Dahme treasurer, and William B. Shapiro secretary.

Ill. Saloon Men to Form Own Insurer

Licensed Beverage Assn. of Ill., at its convention at Springfield, voted to set up a captive insurance company to handle dramshop liability and OL&T cover for members.

David M. Wilson, attorney for the organization, predicted that the members would save at least 10% in their rates right off the bat through having such a company. He is chairman of the committee in charge. The other members are Frank Holt of McHenry, Frank Berger of Chicago, Louis Lipkin of Peoria.

Mr. Wilson said the organization plans to get the charter of an existing company and the members would buy stock in the company at \$50 per share up to a maximum of \$500.

He predicted that this company would "bring relief from the present insurance plight" and that it would encourage tavern operators to try to keep down violations and hold the losses to a minimum. The proposed name of the company is Licensed Beverage Inter-Insurance Exchange or L.B.I.E.

Guaranteed stock certificates would be sold individual members or county units of LBA. There is also the suggestion being considered of making the insurance available to non-members of LBA, but at a higher premium.

Emmco Cas. Now Excel But Emmco Ins. Co. Still Emmco

Although the Title of Emmco Casualty has been changed to Excel Ins. Co., the name of Emmco Ins. Co. remains as is. Emmco Ins. Co. is a fire company. When they were in the agency business, Emmco Casualty wrote auto casualty lines and Emmco Ins. Co. wrote auto physical damage. Hence there was issued a combination policy and the similarity in names served a purpose. This organization has been out of the agency business since 1949 and the management felt there was no purpose for the two companies to bear similar names. During the last two years or so the company that is now known as Excel has been reinsuring some business from Emmco Ins. Co. and the employee hospitalization insurance of Associates Investment Co. which owns the two insurers has been written with Emmco Casualty.

Reopen FR Issue in D.C.

WASHINGTON—Hearings are expected to be held early in 1954 by the House District of Columbia committee on insurance on an auto safety financial responsibility bill for D. C. The Senate late last session passed such a bill.

The House committee staff has called for reports on auto rates for several states during the time they have had the model FR law; also how much rates have increased annually in such states, as compared with the situation in

states that do not have such laws. The staff would like to know about insurance rate movements in Massachusetts under its compulsory law. The Congressional library has been asked for a report on extent of litigation over insurance cases under the model law.

Southern F.&M. Now Tied to Atlanta Bank

Reorganization has been accomplished of Southern Fire & Marine of Atlanta. This was formerly owned by Southern Insurance, Inc., but the owner is now Southern Acceptance Corp., which in turn is owned by interests which have close ties with Citizens & Southern National Bank. Management is under the direct supervision of Roy S. Thompson, Jr., who is president. He was formerly vice-president of Cudd & Coan Underwriters, Inc., the local agency of Spartanburg, S. C., and he was reinsurance manager and director of National Fidelity of Spartanburg. At one time he was a special agent for Maryland Casualty. The other officers of Southern F. & M. are now M. B. Lane, Jr., chairman; Jack Glenn, vice-president; Hugh Fraser, treasurer; Henry J. Miller, secretary; Paul Welch, and J. R. Womack, assistant secretaries and Zoe H. Courtney, assistant treasurer.

Southern F. & M. was launched in 1937 as an adjunct of Southern Life. National Fidelity of Spartanburg was one of its reinsurers. Wiley L. Moore was president and Dan Y. Sage, Jr., first vice-president. At Dec. 31, 1952, assets were \$763,866, capital \$250,000 and net surplus \$204,748.

Roy W. Holland to Run New Poulsen Ins. Co. of Chicago

Roy W. Holland has been elected vice-president-manager of the newly organized Poulsen Ins. Co., Chicago. For 15 years he was with the Loyalty group in A&H work and was branch office manager in Chicago. More recently he has been chief underwriter and assistant secretary of Security Mutual Life of Binghamton. Frank J. Bartsch has been elected vice-president. He was chief deputy of the Illinois insurance department for more than 20 years and for the past two years has managed the Poulsen general insurance agency at Chicago, writing fire and casualty lines. Gerald J. Koehler is executive vice-president, Donough W. Young, vice-president-treasurer, J. George Dillon, vice-president, and Robert A. Schneider, secretary-general counsel.

Lloyds Unit Revised

D. K. MacDonald & Co. of Seattle on Jan. 1 will change the designation of its Lloyds department to Farwest general agency. The change is being made to make it clear that this department offers domestic as well as foreign markets. Thomas Telfor is the manager, and he is a vice-president and director of MacDonald & Co. In addition to its fire and casualty markets, Farwest general agency will also be general agents in the northwest for Credit Life of Springfield, O., and for Continental Assurance.

Buttner to Hawkeye at N. Y.

Fred T. Buttner has been appointed manager of the eastern inland marine department of Hawkeye-Security-Industrial at New York. He has been in the marine insurance business many years.

ENGLERT NEW PRESIDENT

Tenn. Commissioner Renamed by Agents as Vice-President

CHATTANOOGA.—The continued fine relation between Tennessee local agents and Commissioner Arch E. Northington was assured by the unanimous reelection of the commissioner as vice-president of Tennessee Assn. of Local Agents for middle Tennessee at its annual convention here. Louis J. Englert, Jackson, vice-president for west Tennessee, was elected president, succeeding C. Ray Ward, who becomes chairman. J. Byron Taylor, Chattanooga, is first vice-president and vice-president for east Tennessee; Arthur Crone, Dyersburg, vice-president for west Tennessee; W. Everett Biggs, Knoxville, secretary, and Joe C. Carr, Nashville, treasurer. Russell Miles, Kingsport; W. P. Deese, Nashville, and S. H. Warner, Memphis, were elected directors, with Alex Pegues, Cleveland, elected to fill out the unexpired term of Vice-president Taylor.

An amendment to the constitution permitting use of the corporate name "Insurers of Tennessee", but not replacing the present name, was approved.

More than 450 attended the banquet Thursday.

The agents elected their new officers at the first session, which was given over to business and included the reports of President Ward and T. D. Robinson, state director. H. Herbert Corson, gave a report on the Mid-West Territorial Conference gathering at Detroit.

Commissioner Northington assumed his official capacity the first afternoon to bring greetings from the association, and then there were talks by Joe H. Bandy on the automobile situation; and J. F. Leopold, public relations counsel of National Tax Equality Assn. There was a panel on general liability coverages at which W. B. Nelson, Memphis manager, and Herbert P. Preston of the head office of U.S.F. & G., participated.

Rural and small town agents had a breakfast Friday morning, and at the main session talks were given by Eugene A. Toale, director of education of the National Association and Urban M. Lelli, secretary of Phoenix of Hartford, Chicago. Tennessee Fire Prevention Assn. put on its clown act involving stupid carelessness. In the afternoon the resolutions committee gave a report and Messrs. Nelson and Preston continued their discussion on general liability.

C. Ray Ward, the retiring president, was presented the Tennessee "Insurer of the Year" award for his work during the legislative session. The presentation was made by John B. Bailey of Knoxville, chairman of the legislative committee.

Browne Des Moines Chief

William A. Browne, manager of Maryland Casualty has been elected president of Des Moines Casualty & Surety Club. Richard T. Johnson, Travelers Indemnity, is 1st vice-president, and H. Clarke Berry, U.S.F. & G., secretary.

New Manhattan F.&M. Gen. Agents

Manhattan Fire & Marine has appointed Calley & Clark Co. general agents for West Virginia for fire and allied lines. Headquarters are at 916 West Virginia building, Huntington, W. Va.



The new official family of Tennessee Assn. of Insurance Agents: Seated, from left, C. Ray Ward, Sparta, retiring president and new chairman of the board; Louis J. Englert, Jackson, president; J. Byron Taylor, Chattanooga, 1st vice-president. Standing, W. E. Biggs, Knoxville, secretary; Joe C. Carr, Nashville, treasurer; Arch E. Northington, Clarksville, vice-president and state insurance commissioner, and Arthur Crone, Dyersburg, vice-president.

Fireman's Fund Veteran**Caldwell Retiring, Umland Named to Coast Claim Post**

Lester M. Caldwell, assistant vice-president in charge of automobile and casualty claims for the Pacific and southern California claim departments of Fireman's Fund group, is now retiring, and is succeeded by Charles R. Umland.

Mr. Caldwell has been with Fireman's Fund for 23 years and has been in insurance for 42 years. He started with Travelers in Wisconsin in 1912, and later was at Omaha in charge of claims. In 1922 he established the Pacific Coast claims department for Travelers, then in 1929 went with Glens Falls as manager of the new casualty department at San Francisco. He joined Fireman's Fund in 1930 when the indemnity company was founded, as assistant vice-president.

Mr. Umland started with the group in 1932. He was in the navy as a lieutenant commander during the war and



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Rate Drops With Commission Cut

Selective Auto & Fire of Seattle, the new General of Seattle enterprise, is using the National Bureau private passenger car classification plan, but its rate level is 12% below the rates of the non-bureau companies in Washington.

In filing its rate manual the company's supporting letter read:

"Without actual loss experience to turn to in analyzing our rate levels, we have felt it appropriate to discount rate levels of standard companies by an amount equal to the demonstrable expense savings which the company will introduce. Whereas, the acquisition commission for this type of business is generally 25% of the premium, industry-wide, we have provided an agent's commission of 15%, and this reduction in acquisition costs has permitted us to establish rate levels which are approximately 12% below those of the majority of companies operating with the agency system. The rate level will produce for the company a premium which will be approximately equal in amount to the premium which would be produced if the company charged standard rates and paid a 25% commission."

Safeco's rates for territory 1 run approximately 20% under bureau rates in the better class risks, and about 12% below in the others.

Bay State Brokers Elect Herbert L. Gove President

Herbert L. Gove, Boston, was elected president of Insurance Brokers Assn. of Massachusetts at its annual meeting at Boston. He succeeds Fred H. Hitchcock, who has been in that post two years. William C. Field was elected a vice-president, joining Merlin J. Ladd and Lawrence B. Damon, who were reelected. Charles H. Weeber, Jr., was reelected treasurer.

Few complaints were voiced by the brokers about difficulty in placing compulsory business in the state, loss of PHD business on financed cars seeming to be a more worrisome problem. Irving F. Ludwig summed up the brokers' situation by saying, "Most of us lose the business because we don't know who is buying a car."

State Sen. Cone of Pittsfield observed that the rating part of the auto program will have to wait until 1956 "so everyone will have a chance to accumulate points." Although he promised that persistently offending drivers "will become pedestrians," the points will not be assessed against violations until January, and apparently it will take two years or longer to determine the habituals.

St. Paul Ups Balensiefer

R. H. Balensiefer has been advanced from chief engineer to assistant secretary of the St. Paul companies. He is an industrial engineering graduate and has been with the companies since 1946. He will continue in charge of the engineering and payroll audit departments.

Joins Home at Louisville

John J. Kaelin, who has been for four years with Underwriters Adjusting, has become assistant to Ray A. Copes, adjuster at Louisville for Home.

Newhouse, Jr., Promoted

THE NATIONAL UNDERWRITER in reporting last week the election of A. N. Butler, Jr., as a director of Newhouse & Hawley, Inc., omitted to mention that Mr. Butler, who is vice-president at New York, is to be assisted by R. J. Newhouse, Jr., who has recently been

made assistant secretary. Mr. Butler was named a director to fill the vacancy on the board created by the death of R. J. Newhouse.

Newhouse & Hawley have been underwriting representatives for London Lloyds since 1937, and operate on a nation-wide basis.

Pressure Politics in Mass. Compulsory: Harrington

C. F. J. Harrington, executive vice-president of Assn. of Casualty & Surety Agents and former Massachusetts commissioner, told the Rochester Kiwanis Club that compulsory liability insurance of the Massachusetts type is "impregnated with pressure policies, political rate making, fake claims, exaggerated claims, increased claims, litigation, congested court dockets and diminishing insurance protection rather than expanding insurance protection."

As commissioner he discovered, he said, that the law is "an attempt to solve a mathematical problem by the introduction of a factor of political expediency."

Md. Casualty Gets Big One

Maryland Casualty through its New York office recently originated a 100% performance and labor and material bond in the amount of \$13,708,000 covering the Long Island City intercepting sewers project, the contractor for which is S. A. Healy Co. There were 17 co-sureties. The same office also has written the bond for the New York thruway, Catskill section, on which one of the contractors is the Healy Co., this one with the U. S. F. & G. and Hartford Accident for the joint ventures with the Healy Co. on a contract of \$17,440,000. Performance bond was for \$8,720,000 and labor and material bond for \$2,500,000.

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Sureties Get Bond on 3rd Hudson River Tube

Fidelity & Deposit, Indemnity of North America and Standard Accident are originating co-sureties on the performance bond for the construction of the third Lincoln tunnel tube under the Hudson River between New Jersey and New York City. The contract was awarded by Port of New York Authority to Mason & Hanger Co., Arthur A. Johnson Corp. and MacLean Grove & Co., on a bid of \$17,260,370. There will be a number of other sureties on the performance bond, which was in the amount of the contract.

Office Methods, Statistical Men Set for Chicago Rally

Conference of Mutual Casualty Companies has gotten up the program for its meeting of committees on office methods and procedures and accounting and statistical at Chicago Nov. 12-13. Chairmen are E. S. Jones of the Ohio Farm Bureau, and E. L. Brandt of Auto-Owners. Speakers include Paul H. Jacobs of Ohio Farm Bureau on "Quality Control in the Office"; Dr. Arnold Schneider, Western Michigan college, on "Supervisory Responsibilities and Attitudes"; Ralph W. Ellis, chief economist of Allen-Bradley Co., on "Clerical Salaries"; A. M. Nistler, Hardware Mutual of Minnesota, on "Automobile Statistics that Best Measure Loss Experience"; Hugh Wallace of Farmers Mutual Automobile of Madison, on "Budget and Expense Controls"; H. L. Convis of Auto-Owners on "Workmen's Compensation Reports from Punch Cards"; John J. McGuire, Meridian Mutual, on "Procedure for Collecting and Statistics Reflecting Results of Handling Salvage and Subrogation of Claims." There will be three representatives from the Ohio Farm Bureau speaking on average reserves for auto claims including BI.

W. J. Graul Md. Speaker

William J. Graul, local agent of Allentown, Pa., will address the convention of Maryland Assn. of Insurance Agents Nov. 5 on "Local Board Public Relations."

Convention Dates

Nov. 2-4, California Agents, annual, Biltmore hotel, Los Angeles.
Nov. 3, Insurance Federation of Illinois, luncheon, Palmer House.
Nov. 4-5, Maryland Agents, Lord Baltimore Hotel, Baltimore.
Nov. 5-6, Michigan Mutual Insurance Agents Assn., Statler hotel, Detroit.
Nov. 10-11, National Assn. of Independent Insurers, annual, Park Plaza and Chase hotels, St. Louis.
Nov. 12-13, American Management Assn. Ins. Conference, Drake hotel, Chicago.
Nov. 15-17, Kentucky Agents, annual, Brown hotel, Louisville.
Nov. 16-17, Illinois Agents, annual, Pere Marquette hotel, Peoria.
Nov. 16-18, Indiana Agents, annual, Claypool hotel, Indianapolis.
Nov. 19, Casualty Actuarial Society, Hotel Biltmore, New York.
Nov. 30-Dec. 4, N.A.I.C., midyear, Sans Souci hotel, Miami Beach, Fla.
Dec. 16, Eastern Underwriters Assn., annual, Roosevelt hotel, New York City.

John W. Frazier, president of Insurance Board of Cleveland, will address the annual meeting of Cleveland Assn. of Casualty & Surety Managers, Nov. 2 on "The Insurance Board in Your Life". He will touch on the philosophy and practice of the Insurance Board under its reorganization of April 15, 1953.

F. W. Doremus, manager of Eastern Underwriters Assn., addressed the Oct. 26 meeting of New Jersey Insurance Fieldmen's Assn.

Insurance Women of Racine, Wis., at their first fall meeting heard a talk on the new National Bureau automobile classification plan.

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Harold Conick's Worth Appraised and Praises Sung at Retirement Dinner

NEW YORK—A testimonial dinner was held in honor of Harold C. Conick, chief executive of Royal-Liverpool, Monday. The dinner, which was given by Sir Alan C. Tod, chairman of the head office board of directors, was occasioned by Mr. Conick's impending retirement from his position with the group, effective as of the end of this year. Present at the dinner also were Sir John R. Hobhouse, deputy chairman, and Charles F. Trustam, general manager of worldwide operations. They journeyed from Liverpool expressly for the occasion.

Also seated on the dais were Benjamin Strong, Richard S. Perkins and John C. Traphagen of the New York

finance committee.

Clarke Smith, U. S. manager, acted as toastmaster. The dinner was attended by 140 members of the management and staff from all parts of the U. S.

Mr. Trustam delivered the principal speech. Mr. Conick, he said, is universally acclaimed "as one of the outstanding personalities of the insurance world in our time."

"Some 30 years ago," he said, "Royal had a stroke of good fortune. Mr. Conick, after a distinguished army career and some earlier agency experience, decided to throw in his lot with us. For these 30 years he has served us well and honorably. But the Royal-Liverpool insurance group has not been to him merely a job—it has been almost of his whole life—during business hours it has been his occupation; during leisure hours it has been his preoccupation. It has been the source of many of his trials. He has given the very essence of his being and if you suspect me of exaggerating I can only tell you that I have known him pretty intimately for 12 years and more, and I know what I am talking about."

Mr. Trustam said the period since Mr. Conick became the executive head in this country has probably seen more changes and progress than any corre-

sponding period in Royal-Liverpool history in the U. S. For example, during the years from 1944 to the present its premium volume has grown from \$97 million to well over \$200 million.

"Perhaps the most important achievement of the past five years has been the supremely successful coordination of our fire and casualty operations. Our group has been turned into a closely knit multiple-line organization, compact and efficient, with staffs trained to handle both fire and casualty business and organized to cope in the most flexible way with whatever changes may come in the future—with whatever developments the future may hold in the way of multiple-line insurance. That job of integration and coordination would itself be a worthy monument to Mr. Conick's regime."

Sir Alan Tod presented Mr. Conick with a gift from the head office and management in the form of a Cadillac automobile which will be delivered to him at Phoenix, Ariz., where he intends to spend his winters after the first of next year. On behalf of the New York finance committee, Mr. Strong presented Mr. Conick with an engraved silver tray bearing members' facsimile signatures. On behalf of the U. S. management and staff in attendance Mr. Smith presented him with a gold wrist watch.

Mr. Conick started at Chicago with Western Actuarial Bureau and later was with Charles W. Sexton & Co. at Minneapolis. He emerged from the first war as a lieutenant colonel. In 1924 Mr. Conick joined the Chicago staff of Royal and was later transferred to New York to take charge of the newly-established general cover department. He was appointed assistant U. S. manager in 1934 and became U. S. manager in 1944. Two years later, he was appointed president of the domestic companies in the group and, upon the retirement of the late Harold Warner in 1948, he assumed the additional position of general attorney.

On July 1, 1952, Mr. Conick relinquished all offices with the exception of those of attorney and director of the domestic companies, this being in conformity with the established practice of the group to delegate authority to younger men in the organization in advance of the date of actual retirement of the chief executive so as to provide for a smoother transition of management.

Mr. Conick is president of National Board and of General Adjustment Bureau, chairman of Insurance Executives Assn. and a trustee of Underwriters' Laboratories. He is a director of Underwriters Salvage Co. of New York and Beekman-Downtown Hospital.

Fund Has New N. M. Home

Fireman's Fund has moved into its own building at Albuquerque, N. M. Vice-President Louis W. Niggeman was on hand along with other executives from the head office for housewarming ceremonies. Robert Plume, state agent, is the senior man at Albuquerque. This is a modernistic building at Montclare drive and Silver avenue, SE, and contains 2100 feet of space.

Kentucky Mutuals Elect

Kentucky Mutual & Cooperative Fire Insurance Assns., meeting at Owensboro, reelected H. Dye Collins, Mays Lick, as president; A. E. Quino, Louisville, vice-president, and W. G. Reed, Lexington, secretary. Next year's meeting will be at Maysville.

WUA Receives Study of Wind Losses

At the meeting of Western Underwriters Assn. at White Sulphur Springs there was presented a study of storm losses of this year. The data was gotten together from those catastrophes that necessitated the opening of a storm office or required outside assistance to the local office. There was given data as to the nature of the storm, date of its occurrence, number of properties involved and total amount paid. This included only such losses as were handled by the storm offices.

The report said that there is a geographic concentration of severe hailstorms in the plateau areas of the plains states. The greatest instability and turbulence exists on the western side of the great plains rather than the eastern side, hence this is the area in which hailstorms are likely to occur with the greatest frequency and severity. In this plateau the ratio of hail losses to total E C and wind losses is higher in this locality.

For the period under study in 18 states, hail produced 42% of the total losses, combined tornado and hail 33.5% and tornado alone 24.5%. The hail proportion would probably be reduced if all losses were considered because those of the non-catastrophe variety are usually the result of wind.

In Wichita, 14,400 losses were checked and they averaged \$246.21. The total amount of insurance per risk averaged \$9,477. The lowest amount at risk was \$300 and the highest \$1,125,000. About 90% of the losses occurred to buildings. The insurance to value on dwellings approximated 60% and averaged roughly \$6,000. With an average of \$9,477 for all types of property, the report said it would indicate that low insurance to value is still a problem.

The governing committee in its report said that the Livonia fire of General Motors attracted nation-wide attention to losses originating from welding or cutting operations. The committee said the business should embark on a wholesale educational and training program so that the dangers inherent in this process may be brought home to industry. A vivid film portrayal is advisable along with posters and pamphlets. There should be co-operation enlisted from the trade associations for the acetylene industry. The matter was referred to National Board for attention.

Wis. Agents' Committee to Study Auto Problem

Among the resolutions adopted at the recent annual meeting at Milwaukee of Wisconsin Assn. of Insurance Agents was one establishing a three-man association committee to study the Wisconsin automobile problem. The committee is to be instructed to obtain all available statistical information for the various bureaus and companies.

Another resolution, following the lines of one adopted at the NAIA convention, criticized "a tendency of some surety companies to solicit contract bonds directly from contractors, bypassing the agent."

Wyoming Rate Reductions

Rate reductions of about 20% on farm property and dude ranches in Wyoming become effective Nov. 9 and Commissioner Taft estimates that this will amount to a saving of about \$100,000 annually. He said that he requested such a reduction several months ago and this was the result.



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Chicago Surety Men Oppose City Choice of Bonding Company

Surety Underwriters Assn. of Chicago at its last meeting adopted a resolution in which the members stated their opposition to the practice of some cities or other governing bodies designating specific bonding companies as surety for contractors on public contracts.

The practice is also carried on of reserving the right to purchase performance bonds for the contractors and paying the premiums, thus indirectly effecting a designation of surety. The main culprits in this appeared to be the local agents who are active in civic affairs and are influential when specifications are drawn up, by having the bonding company they represent, through one means or another, become the one to get the business. This has become a real problem in some parts of the country, with Illinois one of the hot spots, but its recognition nationally is reflected in a similar resolution adopted by Assn. of Casualty & Surety Companies.

What the surety underwriters would like to see is the return to the selection of a surety by the contractor. In some cases, cash or certified checks must be deposited with bids and the city will reserve the right to purchase the bond and pay the premium, while the contractor has no prior knowledge of who his surety eventually will be.

The nominating committee which consists of Joseph I. Johnson, Aetna Casualty; E. J. Moroney, U.S.F. & G., and Charles H. Phillips, Hartford Accident, presented its slate which will be voted on at the November meeting.

Nominated for president is Arthur F. Evans, W. A. Alexander & Co. (Fidelity & Casualty); vice-president, L. U. LeMessurier, Employers Liability; secretary, D. J. Cronkhite, National of Hartford group; treasurer, P. J. Lynch, Standard Accident.

The selections for the executive committee include Messrs. Evans and Cronkhite and W. A. Bowersox, Fidelity & Deposit; H. W. Carlson, Aetna Casualty; B. H. Davenport, American Surety; D. T. Harper, U.S.F. & G.; W. H. Hilton, Hartford Accident; Edmond Madden, Maryland Casualty, and R. F. Munsell, Ocean Accident.

To Resume W. Va. Hearings in Fund's Deviation Filing

The story in last week's issue on the hearing at Charleston respecting Fireman's Fund's filing of a deviation on 14 preferred classes in West Virginia was incorrect in certain respects. Commissioner Gillooly did not indicate that he would subpoena the figures of National Board. The reason for recessing the hearing was to give West Virginia Rating Bureau time to study certain exhibits which were put in support of the deviation and to provide time to have the testimony, much of which was technical and complicated, transcribed for study. It is expected that the hearing will resume some time within the next two weeks.

Contrary to the impression created by the story, the legal maneuvering at the outset was regarded as normal and not unduly extended.

Mariners Hear Express Man

New York Mariners Club at the October meeting heard a talk by E. W. Hull, director of advertising and promotion of Railway Express Agency, who brought out that the public often refers to express agency "value"

charges as "insurance."

He pointed out that the express receipt is not a contract of insurance, although the rate is fixed with relation to the specified value and the express agency is liable under the interstate commerce act to the shipper for the full actual loss within the declared value.

Many shipments come into express service under release of valuation, and Mr. Hull said this indicates widespread coverage on the part of insurers. The express agency has no way of knowing when its traffic is actually covered by outside insurance, but he said that has no bearing on the way traffic is handled. He went on to explain the protection methods employed.

Following the talk, Julius Press, chief commercial agent in New York for the agency, answered questions.

Anderson L. A. Manager

Albert O. Anderson has been appointed manager of the Los Angeles office of Finn, Smith & Medcraft of San Francisco. He has been special agent for San Francisco and northern California, and is succeeded in that post by Joseph Gomez, who has been special agent of Commercial Union.

No Verdict Reached in Grain Assn. Case

In the case of Hart-Bartlett-Sturtevant Grain Co., plaintiff, vs. The Minnesota Avenue, Inc., a corporation, and the City of Kansas City, Kans., defendants and third party plaintiffs, Aetna Ins. Co., et al., third party defendants and counterclaimants, the trial started Sept. 28 in the federal court at Kansas City, Kan., and was concluded Oct. 22.

The trial was an integration of two separate lawsuits; first, the cause of action asserted by the grain company, plaintiff, as lessee, against the city of Kansas City and The Minnesota Avenue, Inc., the original defendants. This was a suit by the grain company, as lessee, claiming that the defendants, its lessors, were obligated under the written lease between the parties to make all repairs occasioned by extraordinary accidents. The second suit integrated in this trial was the suit by the City of Kansas City and The Minnesota Avenue, Inc., as third-party plaintiffs, against the companies

comprising Underwriters Grain Assn., as third-party defendants. In this suit, the third-party plaintiffs claimed recovery against the companies on certain policies of fire and extended coverage insurance, including the hazard of explosion.

The jury deliberated the better part of three days and brought in only one verdict, that verdict relating solely to the cause of action between the grain company and its lessors, assessing the grain company's damage at \$146,090. The rendition of this verdict in no way imposes any liability upon any of the companies comprising Underwriters Grain Assn. However, with respect to the second integrated action, the one against Underwriters Grain Assn., the jury rendered no verdict, being unable to come to a unanimous agreement with respect to the issues involved between the insured and the insurance companies.

A motion has been filed on behalf of the insurance companies for judgment in accordance with their motion previously filed for a directed verdict. This motion will be argued Oct. 29.




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SAFETY  PLATE

Cage People Buy 21-Story Building at Dallas

The 21-story Irwin-Keasler building at Dallas has been purchased by Insurance Co. of Texas group for a home office, according to the release from Insurance Co. of Texas. The building is valued at \$2 million. At the same time the company abandoned plans to put up its own building. This is the Ben Jack Cage group.

Richardson Follows DeRose

Donald W. Richardson, who has engaged in private law practice at Evert,

has been named as legal aid to Commissioner Navarre of Michigan department. A veteran and graduate of Wayne University law school, Mr. Richardson succeeds John DeRose, who recently resigned to become an adjuster for Allstate.

New Philadelphia Officers

Robert E. Synnsvetd has been elected president of Insurance Agents & Brokers Assn. of Philadelphia & Suburbs. Vice-presidents are Stanley Cowman, Frederick E. Drayton and George J. Margraff; secretary, M. Alan Bucks; treasurer, George T. Rowland.

Great American Indemnity Honors 25-Year Agents

Great American Indemnity, with Chairman D. R. Ackerman as chief host, tendered a luncheon in New York City to agents in the home office territory who have represented the company 25 years. The agents were presented with silver trays.

Those in attendance were Dallas Smith of Ellis, Smith & Co., Dallas; Arthur A. Klein of Long Island City, N. Y.; Edward M. and William J. Stack of Hoboken; Leo I. Hain, Lancaster, Pa.; Harris J. Latta, Sr., Philadelphia, and Carl F. Moyer, Reading, Pa. Rhoe

B. Henderson of Jamestown, N. Y. was unable to attend.

Similar awards are being made in other territories to quarter century agencies.

Rodda Is L. A. Speaker

LOS ANGELES—William H. Rodda, secretary of Transportation Rating Bureau, spoke at the October meeting of Marine Underwriters of Southern California, on "Inland Marine and Transportation Insurance." He devoted his talk largely to the multiple risk situation.

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Bureau Answers Queries on Classification Plan

(CONTINUED FROM PAGE 15)

has been increased from 15% to 20%.

Q. What is a "principal operator"?

A. A principal operator is a person who operates the automobile more than any other one person using the automobile.

Q. How do you define a married person?

A. A married person is anyone who is not single or divorced. However, if divorced with legal custody of a child resident in the household, such individual shall be considered as married. Widowed and separated couples are to be considered married for the purposes of this rule.

Q. Is it permissible to endorse policies written at class 2A or 2B rates to reduce rates during periods when under-age operators, resident in the household, are away from home attending school or for other reasons except military service?

A. No. The present procedure is continued. This provides that as long as an underage operator is a resident of the applicant's household, whether he is absent from home attending school or for other reasons except military service, the rates applicable to the risk are not subject to adjustment because of such temporary absence of the under-age operator.

Q. Why has class 2 been divided into three parts, class 2A, 2B and 2C?

A. The purpose of these three subdivisions of class 2 is to give recognition to variations in operating hazards with the lowest rated class 2A applicable to (1) individual owners or operators who are married with one or more children resident in the household and (2) unmarried operators under 25 years of age who are not owners or principal operators of the automobile.

Class 2B with the next higher youthful operator rate, applies to operators under 25 years of age who are married but do not have one or more children

resident in the household.

Class 2C, with the highest youthful operator rate, applies to unmarried operators under 25 years of age who are owners or principal operators of the automobile.

Risk Situations

Non-business use, no operator under 25 and car is driven to work two or three times a month. 1A.

Non-business use, no operator under 25, and car is driven to work six road miles every Friday. 1B.

Non-business use, no operator under 25, three operators resident in the household, two automobiles neither of which is used in going to or from work. Both 1A.

Non-business use, no operator under 25, car is driven five miles to a parking lot just outside the limits of a city from which point a bus is taken to the place of work. 1B.

Non-business use, no operator under 25, car is driven five miles to place of work. 1B.

Non-business use, no operator under 25, two cars, one of which is driven twelve miles to work while the other is not customarily driven to or from work. First 1C, second 1B.

Non-business use, no operator under 25, car is used to drive two young children to school each morning. 1A.

Non-business use, no operator under 25, car is driven five miles to the place of work, is driven home at noon, back again and home in the evening, a total of 20 miles each day. 1B.

Non-business use, owner of car is male under 25, wife, under 25, operates car but is not the principal operator, one or more children resident in household. 2A.

Non-business use, family car with son or daughter under 25, who is the principal operator. 2C.

Non-business use, family car with son and daughter under 25, neither of whom is the principal operator. 2A.

Non-business use, family car with daughter under 25 who is married but separated from her husband and living with her parents and who is not the principal operator of the car. 2A.

Non-business use, two car family with son under 25 who is the principal operator of one of the cars, the other car is not customarily used in the course of going to or from work. First 2C, second 1A.

Non-business use, no operator under 25, farmer owns two cars, one of which is used by daughter to drive five miles to place of work. She does not customarily operate the other car. First 1B, second 1A.

No operator under 25, car owned by doctor who customarily drives five road miles to hospital but who does not make house calls. 1B.

Represents Home 50 Years

Frank Hoffman, veteran member of the Lindstedt-Hoffman Co. agency at Manitowoc, Wis., was honored for 50 years' representation of Home. Eli Shupe, state agent, and J. A. Nelson, associate state agent, both from Milwaukee, made a presentation from the company.

John G. Levison has been elected a director of Fireman's Fund. He is the son of the late J. B. Levison, president of the group from 1917 to 1937. Mr. Levison is co-owner of the Cardoza Co., San Francisco book bindery.

Dr. I. Joshua Spiegel of University of Illinois medical school spoke on "Medical-Legal Aspects of Neurosurgery" at a dinner meeting of Casualty Adjusters Assn. of Chicago.

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EDITORIAL COMMENT

PERSONAL SIDE OF THE BUSINESS

Enlarging Local Agency Frontiers

Students of insurance merchandising might well ponder three currently utilized selling procedures to see whether there is a common denominator here that is significant. One is the counter operation of Allstate salesmen in Sears, Roebuck stores; another is the sale of airline accident insurance at special booths and counters at airports, and the third is the establishment of an insurance booth in the Chicago State street department store of Carson, Pirie, Scott & Co. by the Chicago agency of Childs & Wood.

We are wondering whether Allstate's price appeal has been emphasized in explanation of its success, to the exclusion of the kind of a station it operates to make its sales. That thought occurred to us the other day as we were lingering in the Washington airport and watching the stream of customers around the counter of Parker & Co., where Continental Casualty accident policies were being sold by a woman over the counter. There were also the vending machines in the airport and they were being patronized, too. But the counter seemed to have an attraction for an unusually large number of persons. We are told that this experience is being duplicated in other airports, that techniques are being worked out in connection with these counter sales that are demonstrably effective. For instance some sizable annual policies are bought by well placed persons.

There will be a good deal of interest in the Childs & Wood and Carson, Pirie, Scott & Co. experiment. Agents from other cities have gone to Chicago to look into this and have made inquiries in other ways and there are stores elsewhere that are looking into it. Here there is no cut rate appeal. There is simply provided an insurance buying facility in a place where there is a lot of traffic and people are shopping.

Can it be that the counter and the impersonality of a department store or of an airport provide a combination that is suggestive of means by which the agency system may advance its frontiers, its contact and its influence?

We couple this reflection with a statement made by C. J. Zimmerman, managing director of Life Insurance Agency Management Assn., in addressing the Union League Club of Chicago insurance group the other day. He

observed that the ultimate objective of insurance is to meet the human needs and desires for protection of all segments of the population. He said there must be rendered a broad public service, and there is danger that in doing only a class business, the broader purposes may be neglected. We think those words should be weighed very carefully. There is a great body of agents that are doing a superlative job in what might be called the class market. We think there has been left untapped and uncultivated a very large proportion of the population that is just as vitally in need of insurance service as the class market. This is the segment of the population that has come up in prosperity and worldly goods during the last few years but that has not been gotten at through the ordinary course of agency production activity. There has not been the incentive to seek out this market because the opportunities for the ordinary agent have been so great in the areas in which he has been accustomed to work.

In this period we venture to say there has developed a great body of premium payers and potential premium payers that cannot be said to have a local agent to serve them. It may very well be true that with today's costs and the value of the agent's time being what they are, it isn't economical to engage in the ordinary kind of individualized prospecting for the average buyer. Perhaps there are a great many persons wanting insurance service, but not wanting it badly enough to take a direct path to an agent's office; persons who would make a tentative stab at it by walking up to a counter knowing that they could leave without embarrassment. Perhaps the barrier of a counter is in itself an invitation to make the approach.

We don't know whether this idea of a counter in a shopping place is a good, effective and profitable thing for the agency system but we do feel very strongly that the agency system, for the sake of its own vitality, could well afford to think of some bold and unusual avenues of approach to the mass market.

Pearl Group Now in WUA

The Pearl companies were admitted to membership in the Western Underwriters Assn. at the convention at White Sulphur Springs.

J. H. Bodenheimer, local agent of New Orleans, was honored as a charter member of New Orleans Mid-winter Sports Assn. at a banquet. This is the association that sponsors the Sugar Bowl football game. The banquet was part of a plan for giving credit to the organization and its charter members for what was known as Sugar Bowl Appreciation Dates. Mr. Bodenheimer was one of the founders of N.O.M.W.-S.A., and his son, Louis M. Bodenheimer, is a member of that organization.

Lord Knollys, the chief executive of Employers Liability, made a visit to Chicago and was presented at a luncheon for about 30 Chicago agency representatives last Friday by W. A. Eakin, Chicago manager.

Gen. Frank Dunkley, executive manager of Kansas Assn. of Insurance Agents, has been appointed assistant division commander of the 35th division to succeed Gen. Howard S. Searle, Crum & Forster state agent, Topeka.

John M. Timmons of Chicago will complete 50 years with Aetna Life companies on Nov. 1. Now president of John M. Timmons Co., he began his career with Aetna Casualty in the claim department, progressing through various positions until he became manager of the liability and workmen's compensation department at Chicago. In 1920 Mr. Timmons started his own business in Chicago and has represented the Aetna companies since then. He will be given a dinner by Aetna officials on Nov. 2 and a luncheon sponsored by the 25-year club of the Aetna companies on Nov. 4.

Emil S. Tachau, Louisville, founder of the E. S. Tachau agency and also of Louisville Fire & Marine, was honored as one of the founders of the Louisville Community Chest and was presented a "good citizenship" award in the form of a bronze plaque.

Walter Dithmer, assistant manager of Western Underwriters Assn., addressed a luncheon meeting of Nebraska Fire Underwriters Assn. at Omaha Wednesday.

Edward Hogg of the London firm of Hogg, Robinson & Capel-Cure, has been in Chicago visiting insurance friends. He is accompanied by Mrs. Hogg. They were on the coast for a couple of weeks and they expect to return to England in December. They may make a trip in the interim to Venezuela.

Norman S. Chrisman of Pikeville, a former president and state national director of Kentucky Assn. of Insurance Agents, has been elected presi-

dent of the Breaks Park Assn., which is promoting the creation of Breaks of the Sandy Park, to be developed jointly by Kentucky and Virginia, as it lies across the border between the two states. The plan will be submitted to the legislatures of both states in January.

Gordon A. Bubolz, who is president of the Home Mutual group of Appleton, Wis., has resigned as state senator for health and business reasons. He will not be present at the adjourned session of the legislature which began this week.

Edwin J. Faulkner, president of Woodmen Accident, is among 80 civilian leaders that have accepted invitations of the Defense Department to attend a joint civilian orientation conference of the military services Oct. 30-Nov. 6.

Another insurance man in the group is L. E. Davis, local agent of Lubbock, Tex.

Ocean marine friends and associates of Henry H. Reed joined in giving him a dinner on his retirement after 46 years in the field. Frank B. Zeller, president of American Institute of Marine Underwriters presided and presented to Mr. Reed an engraved silver tray. Mr. Reed started in 1907 and became general manager at New York for North America. Since 1948, he had been with Johnson & Higgins.

DEATHS

EDGAR L. BURTON, 71, Oklahoma state agent of Great Eastern Fire, died of a heart attack. He had been in the insurance business since 1925. Earlier he was in educational work.

A. A. INGRAM, veteran farm state agent in Iowa for National Fire, died unexpectedly at the age of 64. He had been with National Fire 34 years.

S. D. CLARKSON, 53, Oklahoma City local agent, died of a heart attack.

JOHN H. RAY, 77, manager of Hartford Fire group in Brooklyn from 1933 until he retired in 1948, died at East Meadow, L.I. He lived at Freeport. He had been with the Hartford companies more than 50 years and was at one time a member of the insurance council of Brooklyn Chamber of Commerce.

WILSON B. REYNOLDS, 65, prominent local agent and later general agent of Fremont, Neb., died.

Mr. Reynolds entered the local agency of Colson & Reynolds at Fremont in 1905, purchasing the interest

The NATIONAL UNDERWRITER

PUBLICATION OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
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Assistant Editors: Ellsworth A. Cordesman and Warren Kayes.

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

of Paul Colson in 1918, later reorganizing the firm as Reynolds-Morrison-Rathburn Co. They were general agents for six states for the Globe & Rutgers and Camden. In 1921, after disposing of his interests in the Reynolds-Morrison-Rathburn Co., he with his brother, C. J. Reynolds, opened an office still operating as the Reynolds General Agency of Fremont. Mr. Reynolds retired from the insurance business in 1932 and since that time has been engaged in supervising his farm and real estate interests.

ARTHUR K. SULLIVAN, claims manager for Royal Indemnity at St. Paul, died there.

HENRY R. CORBETT, 88, for many years with Travelers at Chicago and prominent nationally in actuarial circles, died at Chicago. His first insurance experience was with H. S. Vail & Sons, Chicago brokers and consulting actuaries. After five years with that organization he went with Travelers, serving with that company and also as a consulting actuary until his retirement about five years ago. He was a charter member of American Institute of Actuaries, now Society of Actuaries, and a frequent contributor of papers at institute meetings. A son, Paul M. Corbett, is manager at Chicago of Johnson & Higgins.

W. A. MARKER, 72, for several years financial officer in the Ohio department, died at Columbus. He formerly was a newspaper publisher at Van Wert, was a former member of the Ohio house and had held several state positions.

W. R. PRESCOTT, manager of the southern department of Hartford Fire, died after a long illness. He was 86 years of age and had been inactive for a number of years. He was with Hartford 53 years, but had been in the insurance business since he was a school boy of 13. He became special agent for Hartford in 1889 traveling at varying periods in every southern state.

In 1906 Mr. Prescott became a member of the firm of Egleston & Prescott, general agents of Hartford under whom the company's southern department was established three years later. He became general agent in 1916, his title being changed in 1939 to manager.

In that same year he was honored by the executive committee of Southeastern Underwriters Assn. for his 40 years of continuous service on the executive committee. During his active years he was a leading figure in the insurance industry and his influence was felt

far beyond the confines of the southern states.

Mr. Prescott leaves two sons, T. S. Prescott, assistant manager of Hartford Fire's southern department and W. R. Prescott, Jr., special agent in western North Carolina.

TOM J. DAVIS, 64, attorney of Butte and director of Northwestern Mutual Fire, died after a long illness.

EARLE S. EQUEN, local agent of Greenwood, Miss. died at the age of 63.

PAUL R. KNOLL, 75, who operated the Monroe agency at Monroe, Wis., in partnership with Arthur Roethe, died at his home from a heart attack.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
133 So. LaSalle St., Chicago, Oct. 27, 1953

| | Div. | Bid | Asked |
|-------------------------------|--------|--------|--------|
| Aetna Casualty | 3.00* | 139 | 142 |
| Aetna Fire | 2.40 | 53 1/2 | 55 |
| Aetna Life | 2.50* | 82 | 84 |
| Agricultural Insurance | 1.60 | 30 | 31 1/2 |
| American Alliance | 1.60 | 36 | 37 |
| American Equitable | 1.50 | 30 | 31 1/2 |
| American Auto | 2.00 | 47 1/2 | 49 |
| American, (N. J.) | 1.10 | 24 | 25 |
| American Motorists | .40 | 13 1/2 | 14 1/2 |
| American Surety | 3.00 | 56 | 58 |
| Boston | 1.40 | 32 1/2 | 34 |
| Camden Fire | 1.10* | 22 1/2 | 23 1/2 |
| Continental Casualty | 2.50* | 94 1/2 | Bid |
| Crum & Forster Com. | 1.60 | 45 | 47 |
| Federal | .60 | 26 | 27 1/2 |
| Fire Association | 3.00 | 66 | 68 |
| Fireman's Fund | 1.60 | 61 | 63 |
| Firemen's (N. J.) | 1.00 | 24 | 25 |
| General Reinsurance | 1.60 | 39 | 41 |
| Glens Falls | 2.00 | 56 | 58 |
| Globe & Republic | .80 | 16 1/2 | 17 1/2 |
| Great American Fire | 1.60 | 41 | 42 1/2 |
| Hartford Fire | 3.00 | 166 | 168 |
| Hanover Fire | 1.80 | 37 1/2 | 39 |
| Home (N. Y.) | 2.00 | 39 | 40 1/2 |
| Ins. Co. of No. America | 2.25* | 85 1/2 | 87 |
| Maryland Casualty | 1.20 | 25 1/2 | 26 1/2 |
| Mass. Bonding | 1.50* | 23 1/2 | 24 1/2 |
| National Casualty | 1.50* | 28 | Bid |
| National Fire | 2.60 | 72 | 74 |
| National Union | 2.00 | 41 | 42 1/2 |
| New Amsterdam Cas. | 1.50 | 43 1/2 | 45 |
| New Hampshire | 2.00 | 43 1/2 | 44 1/2 |
| North River | 1.20 | 27 | 28 1/2 |
| Ohio Casualty | 1.55* | 62 | 65 |
| Phoenix, Conn. | 3.40 | 92 | 94 |
| Prov. Wash. | 1.50* | 62 | 65 |
| St. Paul F. & M. | 1.00 | 34 | 35 1/2 |
| Security, Conn. | 1.70* | 34 1/2 | 36 |
| Springfield F. & M. | 2.00 | 49 | 51 |
| Standard Accident | 1.60 | 45 1/2 | 47 |
| Travelers | 14.00* | 760 | 770 |
| U. S. F. & G. | 2.00 | 62 | 64 |
| U. S. Fire | 1.50* | 38 1/2 | 40 |

*Includes extras.

Irving Bennett Is Named

Irving Bennett has been appointed casualty underwriting manager at New York for Massachusetts Bonding. He started with Compensation Insurance Rating Board of New York, and has seen underwriting service with a number of companies.

Bob Burns, sports editor St. Louis Globe-Democrat, will speak at a luncheon meeting of the St. Louis Blue Goose Nov. 2. The pond will stage a dancing party the evening of Oct. 30.

Kennell to Direct New Houston-American Ins. Co.

Rolan C. Kennell has been appointed vice-president in charge of operations of Houston-American Ins. Co., the new multiple line insurer of Houston-American group.

Houston-American Ins. Co. will begin operations with a paid in capital and surplus of \$500,000. Mr. Kennell, who will be in charge, has had 30 years experience in the business on the west coast and in the southwest.



R. C. Kennell

Jones Joins Glens Falls

Glens Falls has appointed Perry R. Jones special agent for Arkansas and Louisiana, with headquarters at Little Rock, succeeding Norman G. Callaway, who has resigned because of ill-

health. Mr. Jones is being transferred from the Oklahoma territory where he has been in charge since 1950. After three years of army service, he served as special agent for Commercial Union group at Oklahoma City, prior to going with Glens Falls.

End Baur & Christensen

The partnership of Baur & Christensen, Chicago agency in the Insurance Exchange building, has been dissolved and both principals are now operating independently. The former is now known as Baur & Baur and has moved to A-1831 in the same building. Associated with Howard C. Baur, Sr., are his sons, Howard, Jr., and Eugene.

S. C. Christensen has opened his own office—Stanton C. Christensen & Co.—at 120 South LaSalle street, Chicago. Also with Mr. Christensen is Robert N. Wilson, formerly with Baur & Christensen.

San Francisco has planned a reception Nov. 9 for Lewis A. Vincent, general manager of National Board. He will be visiting the west coast for the first time in his present capacity.

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SURPLUS LINE FACILITIES
FOR OHIO AND
SURROUNDING
STATES

Career of F. W. Lafrentz of American Surety

(CONTINUED FROM PAGE 15)

to word a telegram to the head office directing that someone else be sent to San Diego. He felt unable to proceed.

At this point Mr. Lafrentz walked

into the station to meet him and persuaded him to rest a day at the Lafrentz home before sending the telegram.

At dinner Mr. Willcox told the Lafrentzes that he needed an accountant at San Diego upon whom he could rely and that he was going to stop at San Francisco or Los Angeles to obtain the

right man. Mrs. Lafrentz suggested that her husband go, and he did. He went without compensation; the two worked for a month or more on the claims and subsequently Mr. Lafrentz furnished a report.

Mr. Willcox found that report presented matters in such a clear and comprehensive way that he urged the president of the company to invite Mr. Lafrentz to join it. He did so, spent three months at the home office and accepted the invitation of officers to stay on. That was in November, 1893. He was 34.

The report made a strong impression because it brought out clearly and logically the causes of the losses. At that time there were no statistics in the bonding field, companies did not know where losses came from. It was little wonder that their underwriting was haphazard, their results uncertain. Each company made its own rates, which were at times determined more by the intense competition which prevailed than by experience. Reserves were often inadequate, occasionally non-existent.

Mr. Lafrentz set about early in his career at American Surety seeing to it that claim reserves were put up in adequate amount. He found underwriters taking the common stock of the principal company as surety.

A point he made in testimony at a commissioners' meeting in the early days displays the clarity with which he fixed some of the problems of the bonding business. Speaking of a salvage asset, he noted that where such property had an ascertainable value and could be disposed of and reduced to money without difficulty, the item ranked as a legitimate asset and departments could admit it. But where such an item was of uncertain value, it should not be included by a company in statements to shareholders and directors or to departments. A safe rule to follow in all such cases was, he averred, to consider only such assets as a company would be willing to invest in as an original proposition, excluding all it may become possessed of by force of circumstances. If a company were in a position to ignore the whole lot until they were reduced to money, so much the better. A surety company could easily impair its paying power by taking into account the cats and dogs that might be handed over to it, though all the while it claimed complete solvency and dividends to its shareholders, when it would be unable to respond to any considerable demand upon it under its numerous obligations.

"Much of the difficulty in respect to the matter of salvage assets could be eliminated if the management of surety companies would learn to face a loss when it happens," he said. "The real trouble with them arises at that stage. Most concerns try to set out as little as possible in the claim liability column and skate along on very thin ice, hoping all the while that the volume of new premiums rolling in will bridge the chasm. Could there be anything more absurd? Such shortsightedness will surely lead to disaster. Witness the failure and reorganizations that have taken place in the last few years. The surety business is a comparatively new one; the men who thoroughly understand it are few and far between. To be successful, it must be handled by men who possess a general knowledge of the business, specific knowledge in very many lines and the sagacity of successful money lenders."

He was to hammer home this theme with growing insistence. The responsibility resting upon officers and directors of surety companies was very great, he testified. These concerns were semi-public institutions, and it was incumbent upon their management to protect not only the stockholders, but also the public, which of necessity was vitally interested in them since their obligations were accepted covering deposits of public moneys, guaranteeing the fidelity of public officers, insuring the acts of fiduciaries and standing sponsor for contractors dealing with public institutions of all kinds. Nothing should be left to conjecture in relation to their affairs.

When he joined American Surety, Mr. Lafrentz found it was carrying \$104,606 in court and contract advances, which consisted of a large number of payments made under judicial and contract bonds. The prevailing rule was to look the items over at the close of the fiscal year and write off to profit and loss such sums as the management considered uncollectable at that time. But he soon became aware that the entire sum should be eliminated from live assets. Of the amount stated, only \$712 was collected during the year following his first investigation. He suggested that to treat losses under bonds as assets would naturally result in the payment of unlawful dividends and lead to disaster.

The policy of the company was revised to consider all payments under judicial and contract bonds as losses. It began to write off against profit demands under judicial and contract bonds. It put up large amounts as reserves for unpaid losses. It was through deceiving itself and the public.

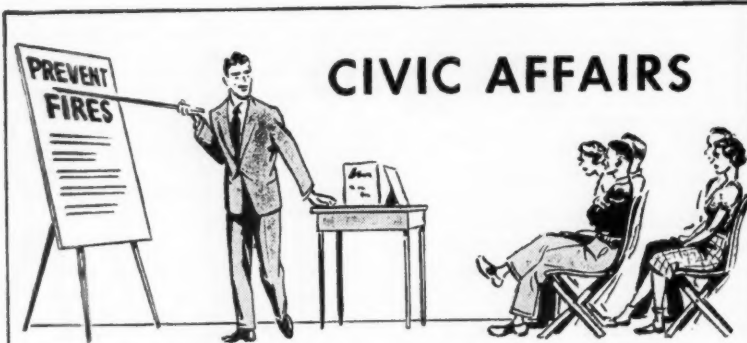
In many states there had been such sad experiences with surety bonds that they almost came into total disrepute. Companies were in difficulties. Some went to the wall.

Mr. Lafrentz, recognizing the need of establishing standards in procedures, reserves, rates, etc., helped to organize Towner Rating Bureau, which began business in 1909. R. H. Towner, at that time with American Surety, was released to head the new bureau.

When the treasurer of American Surety died in 1894, the president asked Mr. Lafrentz if he would make out the insurance department reports, which the treasurer had been doing. He agreed to do so and did. Afterwards the president asked him what he thought of the company's accounting system.

"You don't have one," Mr. Lafrentz replied. This astonished the president, but Mr. Lafrentz pointed out the truth of the matter and he was authorized to put in a system. He established the system that he had taught in the Bryant school. Basically, it is the same system today. It provides a daily ledger balance. It is a lot of work, but there is a balance every day. If a mistake is made, it is only necessary to correct one day and not 30 days to find the error.

Another contribution Mr. Lafrentz made to his own company in the early years of his association with it was adoption of a policy of sound underwriting. He has always believed that underwriting should be done properly in the first instance. Then, if the venture turns out badly and there is a loss, at least there should be no regrets. An insurer should be extremely careful with business as it goes on the



About a week ago a group of students from the local high school called on me and requested that I help them organize a fire prevention campaign. In need of proper material, I called the Pawtucket Fieldman and he left me enough to conduct a dozen! Fire prevention in the home—fire prevention in the factory—fire prevention in school—fire prevention in our forests. I have always found Pawtucket Mutual anxious to help in local civic affairs because the prestige of the agent is increased and, as the old adage goes, "an ounce of prevention is worth a pound of cure."

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books. Do the worrying when there is a choice, not afterwards.

This is his formula for not worrying. Arthur F. Lafrentz recalls the time when he was still young in the business. He was acting as liaison between various officers and department heads. A \$2 million depositors' bond came in. He couldn't understand why the bond head was hesitant about taking it. Certainly take it, he recommended. Two months later the bank was closed and the company had a \$250,000 liability. He then became really worried. He couldn't sleep. He went in to see the chairman (his son refers to him in that way).

He was about his business as usual, calm and unruffled.

"That's why we're in business," he said.

He has always followed a firm and honest policy in respect to claims. If the policy covers the loss, pay it, whether it is a big claim or a little claim. If the policy does not cover it, it should not be paid, small or large.

On one occasion A. F. Lafrentz asked the chairman what he thought about a certain claim. He did not indicate his own views, but laid the facts before the chairman. When he was done, he asked the chairman's opinion. The answer was that the company was not liable and that no matter what the circumstance, the claim should not be paid. A. F. Lafrentz pointed out that there were political implications. That doesn't make any difference, F. W. said. Pressed, he suggested that the company would resist the claim until the claimants were standing in the southeast corner of hell with a north-west wind blowing ashes in their faces.

Mr. Lafrentz does not worry. He is careful about taking business, but once it is on the books, some of it is bound to produce losses. He believes that he can make mistakes and that other men can make mistakes, but he also believes that he and they cannot always be wrong. A company is in business to have losses. It is a clear story all the way.

In the early days Mr. Willcox became worried about the large number of claims that had been coming in. After expressing his concern several times to Mr. Lafrentz, the latter commented that he knew a sure way to avoid such claims—"Just pull down the shades."

When the crash came in 1929, American Surety did not have a single guaranteed mortgage. It had been largely as a result of Mr. Lafrentz's insistence that they had been turned down. He had repeatedly pointed out that he had been through several bad depressions and that in relation to the kind of risk presented by these mortgages, no company could amass enough capital to pay losses that might arise.

Careful underwriting is not altogether negative. The head of the underwriting department was presented a risk by one of the managers and turned it down. The manager believed it was a good risk and went to F. W. Lafrentz with his story. Mr. Lafrentz investigated it and said, "Take it." Naturally this had quite an effect on the attitude of the head underwriter. There were other instances of this kind. His underwriting attitude, based on proper analysis at the outset, was an expression of confidence and courage, as well as caution.

This confidence, which rests a good deal upon his keen judgment of men, extends to his relations with his as-

(CONTINUED ON PAGE 34)

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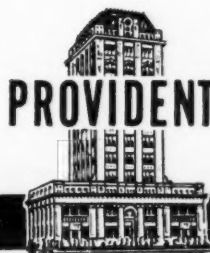


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Charlton Takes Over Kansas Helm

Calls Service the Answer to Direct Writer Competition

George L. Hampton, Jr., assistant secretary of Phoenix of Hartford, analyzing the problem of direct-writer competition at the Kansas meeting, told the agents that they cannot hope to match this type of competition on a purely rate basis, and the balance lies in improved service. "Why don't you take a half day off sometime and devote it to a reappraisal of the service you are rendering your policyholders?" he asked.

The average personal account on an agent's books is what the direct writer goes after first, and Mr. Hampton wondered if agents are contacting their clients throughout the policy term or confining their efforts to a period just prior to renewal. Are loss payments the only evidence of performance? and, if so, that is not enough. Does the service rendered by the agency justify the clients' paying more for their protection?

Among the things the agents could do, Mr. Hampton suggested, would be help in financing automobile pur-



Notables attending the annual meeting of Kansas Assn. of Insurance Agents last week at Wichita, from left: William L. Kline, Hutchinson, retiring president; Frank Sullivan, state insurance commissioner; Robert S. Charlton, Lawrence, president; Paul H. Heinz, Jr., Topeka, president-elect; Charles G. Blakely, Topeka, treasurer.

chases, acquainting the customers or prospective customers with what is available from the agency in the way of arranging protection to best serve the policyholders' needs; offering a valuation service to assist customers in purchasing adequate insurance, and make risk or exposure analyses instead

of a simple policy analysis; tailoring coverages by suggesting those that are essential, important, or only desirable.

The responsibility is not entirely on the agent, Mr. Hampton explained, saying the companies have a job to do. For example, Phoenix is operating an agency management department which is designed solely to help agents increase profits through more efficient office procedures and production planning. There is a lot to be done on the score of analyzing underwriting operations and eliminating duplications to save in the expense column.

He warned that competition so far has been largely confined to automobile, but there are now strong indications that the dwelling and mercantile fields are going to be invaded by direct writers. Unless companies and agents are willing to permit a thorough review of present operations, no happy solution can be expected, but rather a further loss of business to direct-writers.

Heinz Put in Line for Next Year as President-elect

New Highs in Membership, Convention Attendance Mark Meeting at Wichita

WICHITA—At the annual meeting here of Kansas Assn. of Insurance Agents, Paul H. Heinz, Jr., partner in the Hussey agency, Topeka, treasurer for six years, was named president-elect. Robert S. Charlton, the new president, took over from W. L. Kline of Hutchinson, who goes on the executive committee. Charles G. Blakely, III, Blakely Co., Topeka, was named treasurer and Gilbert Henry, Kansas City, secretary.

Mr. Charlton is the second president of the Kansas association who has followed his father into that position. Glenn Charlton served two terms as president from 1923 to 1925. The other father and son team consisted of Rosse Case of Marion (1931-32) and Alex H. Case (1938-39).

Hutchinson will get the 1954 convention in all probability. Oct. 24-26 were set as the tentative dates.

Spurred on by an all-time membership high of 567 and attendance of 595 at their convention, the association adopted a program of increased activity and usefulness. Public relations will be expanded through more educational meetings, increased public safety and fire prevention efforts, support of a more adequate financial responsibility law, further study of agency qualification and added effort of the conference committee in its work with the companies.

The Kansas agents endorsed resolutions adopted by the National association at Washington on direct solicitation of contract bonds, direct solicitation of A. & H., tax treatment of term commissions, opposition to any "model" agency licensing or qualification law. These resolutions of NAIA, the Kansas agents said, are in the best interests of the American agency system.

Annual dues were increased by constitutional amendment with a minimum now of \$25 for gross premiums up to \$25,000 and graduated to a maximum of \$500 for \$476,000 and above.

A capacity crowd was on hand for the kick-off luncheon opening the convention, when the new executive manager, Frank Dunkley, who succeeded Alpha Kenna during the year, was officially presented by President Kline for the first time. A humorous talk was given by Virgil Hill, former newspaper man, now director of public relations of the Kansas highway commission.

The afternoon session included wel-



William L. Kline of Hutchinson, the outgoing president of Kansas Assn. of Insurance Agents (left), introducing Frank Dunkley, the new manager of the association, at the opening session of the convention at Wichita.

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INSURANCE—ALL KINDS

WICHITA, KANSAS

comes from Marc Benjamin, Wichita president, and Mayor Keeler, with response by President-elect Charlton, followed by a panel on general insurance with B. J. Weldon of Dulaney, Johnston & Priest, Wichita as chairman.

Walter W. Rowse, Wichita manager and regional supervisor of Western Adjustment, spoke on loss adjustments, urging use of the National Board standard form of notice of loss, explaining how it expedites loss handling. He also urged that agents review an assured's entire insurance program to help avoid non-concurrence.

George E. Erickson, Topeka, state agent of New Hampshire, covered recent rule book changes, mentioning the new \$50 deductible clause and explaining nine other important changes. Russell R. Brown, chief fire actuary of the Kansas department, told of the department's work.

L. A. Magill, Topeka, assistant manager Kansas Inspection Bureau, spoke on bureau supervision, including the audit department functions. He explained the necessity of the ECE deductible filing in Kansas, stating that the \$12 million Wichita wind and hail loss in June had nothing to do with the filing and that it was based on experience of the five previous years. He urged sale of the deductible clause, asserting that "the agents will be in for a lot more trouble if it is not sold". He admitted that the deductible is not popular with half of the companies or 90% of the agents but appears to be the only solution to a bad situation in Kansas. He asserted that if the Wichita losses were included in a new 5-year compilation a 46% increase in the ECE rate would result.

Gordon Kellner, Kansas City manager of Aetna Casualty, spoke on "The Rating Classification Plan", "Reduced Commissions", "Direct Writers" and "Continuous Policies". He spoke of concerted efforts of the companies to reduce overhead expenses such as use of the "renewal certificate" plan, coding of policies in branch offices, and said such savings must reflect in rates, a matter the companies are more interested in than ever. He said the agents "must sell themselves, their companies and their services".

Many questions were answered in the forum period which followed.

The past presidents' dinner, compliments of the *Insurance Magazine*, was held that night. Only four of the 24 living past presidents were absent, these being Fred A. Gould, Arkansas City, oldest living past president; Holmes Meade, Topeka; John V. Kelly, Leavenworth, and Victor G. Henry, Wichita.

The "farm writing breakfast" as usual preceded the second day's session. About 125 were on hand to hear Joseph R. Cryan, Chicago, assistant secretary of America Fore and vice-president of Farm Underwriters Assn., discuss improvements in the farm forms and coverages and answer numerous questions from the floor. Alex Case of Case & Son, Marion, veteran farm writing agent, presided, assisted by his son, Rosse Case II, who is the fourth generation of Cases with that agency.

The reports of President Kline, Kenneth Ross, Arkansas City, state national director, also a member of the executive committee of NAIA; George Bacon, Eldorado, conference committee chairman; Webb Woodward, new legislative committee chairman; Senator Laurin W. Jones, Dodge City, chairman of the NAIA committee on trade association contact, and Kansas

legislative committee chairman the past year, took up the Tuesday morning program.

A near capacity crowd appeared for the closing program Tuesday afternoon to hear Robert Maxwell, Texarkana, Ark., NAIA executive committeeman, and George L. Hampton, Jr., secretary of Phoenix-Connecticut and a former Kansas state agent of that group. Mr. Maxwell spoke on "The Product We Sell". He said it was his belief that the property and casualty companies are under-financed, and for

that reason cannot make available to the buying public all of the policy contracts and coverages which the public is willing to buy, and in the quantities which they might purchase if they were available. He said his ideas were his own and had not been discussed with the officers of NAIA.

Owners of commercial and public properties all would welcome with open arms a true all-risk cover, he asserted, if written on a realistic rating basis, and as a true all-risk contract. Of products liability, he said there is

a genuine need for real capacity of substantial amounts. Not enough companies are writing professional liability of all kinds, including agents' errors and omissions insurance. He said that "large amounts of additional capitalization might in the long run make available to the agency forces a tremendous increase in premium writings".

Prospects for revision in the taxation of mutual and cooperative enterprises are better than ever before,

(CONTINUED ON PAGE 35)

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Kansas City, Missouri



Kansas Agents' Convention Pickups

George L. Hampton, Jr. secretary of Phoenix-Connecticut, formerly Kansas state agent, was meeting old friends at its headquarters at the Kansas meeting. Others on hand included Frank Calahan, superintendent, Oklahoma City; E. Y. Dukes, vice-president

Central States Fire; W. J. Elem, secretary; Nick Kleber, state agent; L. Max Marshall, special agent; William Gault, special agent, all of Wichita, and Lester N. Hull, special agent, Oklahoma City.

Assistant Manager L. A. Magill of Kansas Inspection Bureau, Topeka, who participated in the general insurance panel at the opening session, took time off to hold a branch managers' conference with H. P. Ausherman, Kansas City; Ross E. Frisbie, Independence, and Ewing B. Fergus, Wichita.

North British was represented by State Agents Richard H. Huff, Topeka, and W. H. Noble, Wichita. Mr. Huff, formerly of Kansas City, recently succeeded Earl W. Walker, veteran state agent, who retired due to ill health.

American was represented by State Agent W. H. Ogren, Kansas City, and J. S. Hookins, special agent.

At the Travelers headquarters were Robert Hawley, casualty manager; Walter Sukow, fire manager; Clarence Cook, life manager; E. P. D. Spence, assistant casualty manager, and Robert Hansen, casualty field supervisor, all of Kansas City, and W. G. Goldsmith, assistant fire manager, Wichita.

The Aetna Fire contingent was headed by Irving Thomas, state agent, and Kirk Bellows, special agent, both of Topeka, and A. B. Schumacher, special agent, Hays.

John A. Bosdett, regional manager, and L. Peterson, casualty superintendent, both of Kansas City; John F. O'Reilly, special representative; S. L. Lefterson, state agent, Topeka, and C. J. Wintrol and W. C. Bock, state agents, Wichita, held forth for Royal-Liverpool.

Gordon Kellner, Kansas City manager of Aetna Casualty, headed its headquarters, along with L. W. Rose, field representative; J. F. Summers, field representative; and G. W. Machin, associate bond superintendent, all of Kansas City. Sharing the headquarters were the Automobile forces, including State Agent Ben Frohm; Special Agent William Robinson and Marine State Agent Robert Parkowski. V. B. Askew, Aetna Life, Wichita, was also on hand.

At North America were W. J. Mitchell, manager of the new Kansas City service office; R. B. Lathan, state agent, and Jack Baker, special agent, both of Wichita, and M. E. Butler, Topeka, state agent.

Don Hüb, Great American Indemnity special agent, Kansas City; State Agent N. K. Nelson, Topeka, and Norman Graves, Wichita, held forth for the Great American group.

Con Reed, executive vice-president; Louis Burt, vice-president; Fred Powers, Salina, and Charles Gundy, Manhattan, special agents, represented the Preferred Fire.

St. Paul was represented by Ken Rippetoe, state agent, and Special Agents Jack Landreth and Jack Hill, all of Wichita, and State Agent Harlan Martin, Topeka. W. S. Gibbons, retired Kansas manager, was back from Overland Park to greet old friends.

Kansas City Fire & Marine had busy and popular headquarters with Vice-president O. P. Rush and Assistant Secretary W. E. Dow assisted by State Agents Gene Thomas and Adrian Lindsay and Special Agent Bob Epperson.

On their first trip to Kansas were Vice-president Fred Stiner and Special Representative Dick Culbert of Universal Surety, Lincoln, Neb. The company is represented in Kansas by the Blakely & Co. general agency, Topeka.

Jerry Mulvehill, marine department manager, New York, and Harold F. Knebel, St. Louis marine manager, were the out-of-state representatives at the Home suite. State Agent E. F. McDermott and Special Agents W. W. Gifford and Bob Rice were there from Topeka; Casualty Manager R. L. Yocum, Marine Special Agent Ben Powers and George White were on from Kansas City and Special Agent Joe N. McConathy, Wichita, completed the group. Kansas Manager Curtman Maupin was out of the state on vacation.

The Western companies, Fort Scott, had George J. Jones, assistant manager; R. L. Aydelotte, inland marine underwriter; L. E. McClintock, assistant manager, automobile department; C. L. Jones, automobile under-

At breakfast which opened the Kansas meeting: From the left, Maurice K. Ramsey, Jr., Fort Benning, Ga.; his father, M. K. Ramsey, Kansas City manager of Fidelity & Deposit; Russell R. Brown, fire actuary in the Kansas department, and James R. Lee, special agent of Fidelity & Deposit.



writer; Earl Campbell and Ed Gallagher, state agents.

Maurice K. Ramsey, Kansas City manager of Fidelity & Deposit, had his son Maurice, Jr., of Baltimore, who was en route to Ft. Benning, Ga. for O. C. S. training, as his headquarters guest. Others on hand were John H. Trueheart, associate manager, and James R. Lee, special agent, all of Kansas City. Morning papers were distributed to all guest rooms, the compliments of the company, an annual feature.

R. H. Gregg, assistant manager from Freeport, was at Crum & Forster headquarters with Gen. Howard S. Searle, Topeka, state agent; Vic Lohse, hall supervisor, and Wichita State Agent R. W. Willey.

Harry A. Miller, secretary of Fire Association, was at its headquarters with Don Christenson, Topeka, state agent; Warren Gibbs, special agent, and Marine Special Agent Eugene Graf, Kansas City.

U. S. F. & G. had from Kansas City Manager O. R. Leeds; Field Superintendent Wm. Green; W. D. Franklin, fire and marine special agent, and from Wichita Special Agent John J. Murphy.

Informal invitations to the Providence-Washington headquarters mailed in advance brought goodly crowds to meet S. C. Jones, assistant manager, and H. J. Clough, farm and hail manager, both from Chicago, and Frank Pruett, branch manager, and Gene Hale, marine state agent, from Kansas City.

Vice-president F. A. Brinkman, Kansas City, headed the National Surety hosts, assisted by C. O. Douglas, assistant manager, and Kansas Special Agents Leo Menzie and Rodger Penner.

C. E. Stiehl, London & Lancashire assistant manager, a former Kansas state agent, was greeting hosts of old friends at its headquarters. Also on hand were W. W. Weathers-ton, western department marine superintendent, and J. D. Way, state agent, Topeka.

State Agent H. R. Joyce and Special Agent Don Barr, both of Wichita, were hosts at National Union headquarters.

Elmer Domke, vice-president Millers National was with State Agent Harold Holtz of Topeka.

On his first trip to Wichita and a Kansas convention was G. W. Lutton, president of American International Underwriters Agency, Chicago.

Bituminous Casualty was represented by Wink Bray, Kansas City branch manager.

Jack Warren, manager mid-west department, and Hank Bornsen, territorial underwriter, were on from Chicago for General Accident and were joined by Craig Harper, Kansas City manager.

Frank Buchholz, new special agent at Wichita for Maryland Casualty, was being introduced by Harry F. Parker, manager at Kansas City, who was accompanied by Assistant Manager Wm. F. Clifford and Casualty Manager L. L. Lucas.

Representing the western department of Springfield from Chicago at its headquarters were L. R. Lee, superintendent of agencies, and Robert H. Miller, chief engineer. Kansas State Agents assisting were Chas. T. Nichols, Great Bend, and Dean S. Jaeger and Wayne Bottsfield of Wichita.

As usual Hartford was host to a buffet lunch Tuesday. At its headquarters were Howard J. Bieser and Kenneth Lilja, fire superintendents, and H. G. Bannerman, farm superintendent, all of Chicago, and Kansas Special Agents O. D. Butcher and Bob Covington, Topeka; Van B. Higbee, Wichita, and Robert J. Kille and Loren D. Lake of Great Bend.

Hartford Accident was represented by Paul Dow, Kansas City manager, and Ray Lawton, Oklahoma City manager.

E. H. Ulrich, secretary of the Meserole group, was meeting the Kansas folks at the headquarters of W. W. Barrett, Kansas City general agent.

At Hussey & Hussey general agency headquarters were the three partners, Ted M. Hussey, James I. Egy, Topeka, and Lloyd P. Elliott, Greensburg. Company representatives on hand included Floyd Andrews, vice-president Trinity-Universal, Dallas, and Dave Gurney, secretary Jones & Whitlock, New York.

C. G. Blakely, Jr., president of KAIA for two terms in 1926-28, headed the C. G. Blakely & Co. delegation, which also included Jack Jensen, state agent; Scott Linscott, hail manager; C. G. Blakely, III; Joe Robinson, vice-president Commercial Standard, Fort Worth; Earl Gammage, vice-president Pan American, Houston; W. C. Whitfield, president Southwest Casualty, Fayetteville, Ark.; Phil Lieche, vice-president and Dale Englehart, agency superintendent National Indemnity, Omaha; Fred Stiner, vice-president, Universal Security, Lincoln; Sam M. Boykin, Jr., assistant secretary Bankers Fire & Marine, Birmingham; and Dick Culbert, Universal Security, Lincoln.

E. E. Humphrey, agency superintendent of National Fire, Chicago, along with Ken Stoike, state agent, Topeka; Dean Snapp, Art G. Corry and R. V. Beck, special agents, Topeka; E. H. Carpenter and J. F. Broderick, special agents, Great Bend, were at their headquarters.

Joe E. Cryan, assistant secretary, who addressed the farm writing breakfast, was at America Fore headquarters with State Agent Merle O'Dell, Kansas City; Special Agent W. A. Davis and Special Agent Dee Mann, Wichita; Farm State Agent Walker Moore, Wichita; Jim Wooden, farm special agent, Lawrence, and Ruppert Knowles, farm special agent, Hays.

At the Central Surety were H. P. Linn, vice-president and Homer Minnich, Kansas manager, Wichita.

Bert Mitchner, president of KAIA in 1928-29, announced that he is retiring Nov. 1 as Kansas director of revenue after 14½ years and returning to his agency at Hutchinson.

Clarence W. Price, Marsh & McLennan, Chicago, recalled the days when he was with the Wichita office of Kansas Inspection Bureau and went through the chairs of the Sunflower Blue Goose puddle there.

Two of the old timers on hand were Will S. Thompson, Hutchinson, who entered the business in 1897, and John Dulaney, Oklahoma City, executive state agent for Kansas, Oklahoma and Arkansas of Sun, who has represented his company since 1897 and traveled regularly for 48 years. With Mr. Dulaney were L. H. Singleton, state agent, and Tom Mayberry, special agent, both of Oklahoma City.

At Fireman's Fund headquarters, State Agent Carl H. Sparenberg, Topeka; Jess W. Brown, hail supervisor, and Richard Cowie, state agent, Salina, were on hand.

Chairman of the women's entertainment was Mrs. Dorothy Winters of Wheeler, Kelly, Haggy, president of Insurance Women of Wichita. A luncheon was given Tuesday for insurance women and ladies, which featured a style show. Insurance women assisted with the registration.

Programs for the Kansas convention were provided by the U.S.F. & G.

Central States Fire jointly sponsored the dinner and entertainment Monday night and Kansas Fire Underwriters Assn. was joint host for the reception which preceded the banquet and president's ball.

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Wash. State Rejects Auto Merit Rating

SEATTLE—Zurich's automobile merit classification plan was turned down by the Washington department on the grounds that the discount offered amounts to rate making, for which supporting data is lacking. The department said this cannot be treated as a deviation, but as the making of a rate.

F.&C. Shifts Kassebert to Houston, Israel to N. C.

America Fore has transferred George W. Kassebert, manager at Charlotte for Fidelity & Casualty, to Houston as manager to succeed C. L. Crum. Robert T. Israel is the new Charlotte manager, and Mr. Crum goes to Dallas for special assignment at his own request.

Mr. Kassebert, who attended Syracuse University, has been with F. & C. since 1925, and has had service at the home office, Hartford, and Charlotte.

Mr. Israel has been with the company since 1937. He was at the home office and then after service in the army, went to Jacksonville, Fla. He was assigned to the home office agency department in 1951.

National Board PR Rally Is Scheduled for Nov. 4

The public relations advisory committee of National Board is having its annual gathering at the Hotel Madison, New York, Nov. 4 with George Travers, the chief public relations headquarters executive and his people. Among those attending will be Frank Colridge of Pacific Board, Robert McFarland, SEUA; Walter Dithmer of WUA, together with representatives of various producer organizations, etc.

L. A. Sewer Work Bonded

Peter Kiewit Sons Co., Arcadia, Cal., and Fred J. Early, Jr., Co., Torrance, Cal., have been awarded the contract by the Los Angeles city board of public works for sewer construction work at \$2,082,963. Aetna Casualty is surety for Kiewit and Fidelity & Casualty for Early.

Discusses CPCU Plans

A buyers' clinic on insurance and a C.P.C.U. study-aid program were discussed by Dean Harry J. Loman of American Institute for Property & Liability Underwriters, with members of the Pacific Northwest chapter of American Society of Property & Casualty Underwriters.

Chalmers Heads Adjusters

H. H. Chalmers, San Francisco, is the new president of California Assn. of Independent Insurance Adjusters. Also elected at the annual convention at Santa Rosa, Cal., are L. D. Hagebush, Los Angeles, 1st vice-president; John Latta, Jr., Santa Rosa, 2nd vice-president; and Jay Wright, San Francisco, secretary-treasurer.

Get South British Affiliate

Northwest General Agency of Seattle has been appointed by Guardian Underwriters of South British, a member of the New Zealand group, as general agent for fire, inland marine and allied lines in Washington and Idaho.

Hear Reports at San Antonio

San Antonio Insurance Exchange heard Travis Bailey of Lytle W. Gosling & Co. and Hilton Howell report on the casualty and surety meeting at White Sulphur Springs. They also discussed the developments in automobile coverage. Luther G. Beery, past president of the exchange, and Secretary F. F. Ludolph reviewed the highlights of the N.A.I.A. meeting.

Gordon Friedrich of Sawtelle, McAllister & Cary gave a review of the fire insurance rate hearing at Austin, and Charles Ladd of Piper, Stiles & Ladd announced more of the details of the plans for observance of the 40th anniversary of the exchange.

Maryland, Continental Bond \$7 Million Hilton Hotel Job

Del E. Webb Construction Co., Phoenix, Ariz., has been awarded the contract by the Hilton Hotels for construction of the Beverly Hilton Hotel, Beverly Hills, Cal., at \$7,227,369. It will be an eight-story structural steel, reinforced concrete building and will contain more than 400 rooms. Financing of the new hotel will be handled by Equitable Society. Maryland Casualty and Continental Casualty are co-sureties on the work.

Name Idaho Gen'l. Agency

Idaho General Agency, Boise, has been appointed by Louisville F. & M. and Fire & Casualty of Connecticut. The latter company is doing business on a participating basis in fire lines.

Pictured at the Wisconsin agents' Milwaukee convention: Top, Sidney E. Nelson, Racine, new chairman of the NAIA accident prevention committee; J. L. Ashton, Milwaukee, state national director, and Matthew P. Zandian, Milwaukee, secretary-treasurer; bottom, John J. Freisinger, La Crosse, association director; Robert Matson, who is with safety division of the Wisconsin motor vehicle department, and Paul H. Mast, executive secretary.



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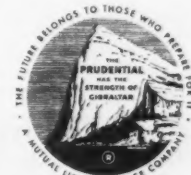
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NU-13

Item Count Essential for Intelligent Agency Policy

(CONTINUED FROM PAGE 13)

this business, which is all that the business with 200 items and the other agency keeps out of the total commission—with 550 items. The agency must do this, amounts to \$1,850 for one and about 2.5 times the amount of work for

\$1,750 for the other. So far they seem to be running neck and neck. When the agency brings the item count into the picture, however, one handles his

the second man as for the first. It is now quite obvious which of the two men produces the most profit for the agency.

An analysis by line of insurance is similarly revealing. During a particular period of time overwriting commission per item ranged from \$1.40 for fur insurance to \$34.28 for fidelity and forgery coverage. Some lines of insurance which produced a low income per item were plate glass, dwelling and contents fire, jewelry, residence theft, personal liability, A&H and furs.

The agency found that when it combined jewelry and fur insurance into one policy, it increased its overwriting commission per item to \$5.85 as against \$1.40 for furs separately and \$3.48 for jewelry separately. If the agency can combine all of these into a personal property floater, its overwriting commission increases to \$7.88.

The agency knew all of this in a general way before, but it had no concrete information on which to make decisions of policy. It is now able to embark on a campaign to combine some of the small premiums and small commission items in order to make larger premium or commission items and thus make them profitable to handle. It also has installed a plan for reduced commission to producers where the premium does not meet a certain minimum standard. This gives the agency more income for the handling of the small items and also discourages producers from selling them. These were the agency's original objectives and they have been more than realized since producers have been bringing in larger premiums and fewer policies with small premiums. They have benefited by making more commission with the same or less work and the agency has benefited by an increase in overwriting per item.

Mr. Wood sometimes wonders if the insurers themselves pay any attention to the cost by kind of insurance of processing policies. Most rates are made by dividing the losses for a given class by the permissible loss ratio which automatically loads the losses for company and agency expenses. In fire, for example, there seems to be no differentiation between the large commercial or industrial risks and the small dwelling risks, the expense loading percentage being approximately the same for each.

The companies could very profitably make an analysis of the type this agency has made. Mr. Wood believes, to determine expense by line of insurance. This analysis should break the lines of insurance down quite finely since classifications which are too broad will not be particularly helpful.

He noted also that the agency breaks down operating expenses into two major classes, fixed expenses, which remain relatively constant regardless of volume, and variable expenses, which fluctuate up and down with a number of items or transactions. This type of analysis too has applications in the company field, though Mr. Wood doubts if it is being widely used or at all.

Cal. Auto Adjusters Elect

New officers of California Automobile General Adjusters Assn., consisting of damage claims supervisors, are: T. E. Atchison, St. Paul group, president; David G. Pace, Glens Falls, vice-president, and R. Heber Jr., America Fore, secretary. The association has sponsored adjuster efficiency schools conducted by California department of education.

Hear Auto Competition Is Fight for Survival

(CONTINUED FROM PAGE 5)

ing for a \$5½ billion premium in 1960, and they have to get in the race, Mr. Brodhead asserted. In 1944, the bureau members wrote \$158 million in BI and PDL premiums while Allstate, Farmers Exchange, State Farm and the Ohio Farm Bureau wrote \$34 million among them. In 1948, these figures were \$438 million for the bureau and \$98 million for the four independents. In 1952, it was \$742 million for the bureau and \$250 million for the independents. National Bureau increases, he said, have been largely increases in rate and not in units of exposure or the number of insured, while the opposite is true of the specialty writers. In addition, the bureau figures include fleets so that the premium figures do not show the true picture even though it is gloomy enough without going into detail. The bureau companies have produced 415% more premiums since 1940, while Allstate has gone up 2,171%, Farm Bureau 1,051%.

Specialty writers have a lower expense factor and allocate fewer dollars per unit of exposure for losses. State Farm's expense factor is 19% for the five years 1948-1952, Allstate's 25.3, and Farm Bureau 26.3. Travelers had 36% in the same period and Hartford Accident 34%. While there is not a great difference on the surface, Mr. Brodhead said that margin becomes great when the premiums are multiplied by the percentages of expense which show State Farm with \$8 total expense per policy and Travelers with \$40.

Another way that agents can be misled by percentages alone, he said, is in the loss ratios. State Farm has an average five-year loss ratio since 1948 of 65%, Allstate 59% and Farmers Exchange 60%. Travelers in the same period had 53% and Hartford Accident 63%. However, when these are applied to actual premium charged per unit of exposure, State Farm comes out with only \$28 per loss per unit, while Travelers has \$58.

Celebrates 50th Anniversary

The Bennett & Corley agency of Nashville, operated by Albert G. Bennett, Jr., and Lynch B. Corley since 1933, is observing its 50th anniversary. It was organized in 1903 as Winters & Hardison.

W.C. Changes in N.D. Sought

North Dakota Workmen's Compensation Bureau has been directed by a subcommittee of the legislative research committee to submit recommendations for amendments to the law at the next meeting of the subcommittee. The 1953 legislature ordered the research committee to make a study of the law and propose legislation for clarification and to remove inequities.

Claim Men Form at Trenton

Central Jersey Claim Men's Assn. has been organized at Trenton. Harold Welsh of Travelers is president; Clarence Lord, New Jersey Manufacturers Casualty, vice-president; Walter B. Savage, Standard Fire, secretary, and Douglas Dalrymple, Selected Risk, treasurer.

The executive committee is composed of the president and Edward Jack and John Raum, independent adjusters; William Harnett, G. A. B., and James Muth, Royal-Liverpool.

"Facts About Fire" were discussed by Carl Heil, Coalport, Pa., local agent at a meeting of the Coalport Rotary Club.

WANT ADS

Rates—\$18 per inch insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payments in advance.

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The man selected will find plenty of room for growth. This is an imaginative, well established casualty company, expanding its direct selling private passenger automobile business. Top rating in the industry. Replies confidential. All employees informed. Write fully to, General Sales Manager, Box 530, Main Post Office, St. Louis, Missouri.

ADJUSTER

Opportunity—for young man, married or single, now successfully engaged in adjustment of fire and automobile or casualty claims. Must be interested in handling complex claims which require research and exhaustive investigation. Have opening for man capable of eventually assuming duties as assistant manager in growing independent adjusting organization. Past record must prove steadiness and a desire for progress. Individual standards for performance must be above average. Must be willing to locate in thriving community of 35,000. Write, giving full details, to Box V-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SALES SUPERVISORS WANTED IMMEDIATELY

Aggressive fifty year old Stock Casualty Company embarking on a new and highly competitive Automobile, Fire and General Casualty program has several openings in Michigan for aggressive experienced supervisory sales personnel.

If you have had agent recruiting and training experience or casualty special agent experience in Michigan and are a Michigan resident write Box V-8, The National Underwriter, immediately giving full details of background and experience.

Act without delay if you are seeking greater opportunities and are interested in a "ground floor" position with a wide-awake independent organization.

SPECIAL AGENT—WISCONSIN

Want young man with fire experience and knowledge of inland marine. State age, education, experience and salary desired. Inquiries will be kept confidential. Address U-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENTS CONSIDERED

In States East of the Mississippi
Mid-West Multiple Line stock company writing General Casualty, Fire and Allied lines at Board rates invites inquiries from General Agents. Address Cimarron Insurance Co., Inc., Cimarron, Kansas.

GENERAL AGENCY WANTED

Casualty and Fire Insurance Company General Agency wanted by Old established Agency in Denver, Colorado. Write box T-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

IOWA FIELD REPRESENTATIVE

Opportunity for aggressive, experienced man interested in becoming associated with a top-rated multiple line stock agency company with progressive policies and many ideal employee benefits. Write Box U-68, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

BOND CHIEF UNDERWRITER

Fidelity, Surety; Midwest. Large multiple line agency company. State experience and salary required. Write—Box U-69, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED Casualty Special Agent

By highly reputable company, young man with thorough knowledge of this business to serve in North and Central Florida. Native Floridian preferred. Excellent opportunity. Address U-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MICHIGAN Field Representative

fast growing multiple line stock agency operating nationally has outstanding opportunity in Michigan field. It will pay you to investigate. Address U-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

I have ten years experience in the midwest field as payroll auditor, casualty, and fire fieldman and would like contact with multiple line company. Will go almost anywhere and will travel extensively. In late thirties. Address V-6, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ENGINEER

Presently employed, experienced in underwriting, rating, producing fire and casualty; plant engineering, design, supervision of construction, land surveys, appraisals. Creative, initiative, flexible, college grad, administrator. Professional engineering license in Ohio. Will relocate and travel. Age 42. Excellent references. Address V-3, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED TO BUY

Agency stock or mutual Illinois, Ohio, Southwest or Pacific Coast. At least 5 years old, annual premium \$50,000 to \$100,000. State terms. Address V-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INDIANA FIELD REPRESENTATIVE

wanted by strong old-line stock fire company. Rating experience essential. Fine opportunity for advancement and permanent future for man not over 35 years of age. Address V-11, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Young lady with experience in handling Health and Welfare Fund Claims for Labor Organization. Salary above average. Kindly give age and experience. Address V-13, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELD

Emerson Named in Minn. by Phoenix-Connecticut

Phoenix-Connecticut group has appointed Gordon Emerson special agent in Minnesota. He will be associated with State Agent T. A. Valine, Jr., and Special Agent Donald W. Drogue at Minneapolis. Mr. Emerson has had inspection bureau and agency experience.

Bayless Named in Ind.

William A. Bayless has been appointed special agent of Phoenix-London in Indiana. He has been with the fire division of U. S. Fire in that state. Mr. Bayless is under the supervision of Byron B. Gray, manager of the Indianapolis branch.

Nordstrom Shifts to Wis.

Wesley R. Nordstrom, who has been special agent for Loyalty group in Minnesota assisting State Agent H. W. Houd, has been transferred to Wisconsin as state agent for Girard. Mr. Nordstrom had several years of agency and company experience before joining Loyalty group in Minnesota. His new headquarters will be at Milwaukee.

Golden Belt Puddle Active

About 30 members of the Golden Belt puddle of Kansas Blue Goose attended the October party at Hays, at which a business meeting was announced for Nov. 18 at Hays, followed by a social hour and dinner. A Christmas party is planned for Dec. 19 at Great Bend.

Smith Gets Pa. Post

New York Underwriters has appointed James R. Smith special agent to assist State Agent F. I. Baldwin in Pennsylvania, with offices at 123 South Broad street, Philadelphia.

Dinner for Tom G. Wilds

A surprise dinner was tendered at Louisville to Tom G. Wilds, retiring state agent of Hartford Fire in Kentucky, by Hartford officials and associates. E. S. Whitcombe, assistant western manager, and Mrs. Whitcombe were on hand from Chicago for the affair. Others attending were Dale Bowen, Lexington; W. H. Strossman, former field man, who retired about five years ago; George Wharton, G. W. Kelly, Miss Pauline Hoffman, and Alex Adland, the new state agent. There were presents, talks and good cheer.

Whittier, Cal., Inspected

Southern California Fire Underwriters Assn. conducted an inspection of the business district of Whittier, Cal. It was the largest ever attempted on the Pacific Coast. Jay W. Stevens, assistant manager of National Board's Pacific Coast office, spoke at the banquet.

Kerker Ala. Special Agent

Great American has appointed Raymond H. Kerker special agent in Alabama with headquarters at Birmingham. He has traveled in Alabama as inland marine special agent.

Local Agent Alamo Speaker

Alamo Field Club, San Antonio, had as speaker Carlos Coon of Browning, Coon, French & White, president of San Antonio Insurance Exchange. Mr. Coon said that while the interests of the company men and the local agents

are identical in many respects, there has not been the full degree of cooperation which should exist and suggested liaison committees be appointed so that fire prevention and safety work may be made more effective through joint action.

Traders & General Changes

Robert Kowalski, formerly at San Francisco for Traders & General, has been named special agent for the company at Seattle, succeeding Ray Hampson, who has resigned to enter the local agency business. Edward Stone, previously with the Pacific department, goes to Seattle as claims adjuster, succeeding Tom Monahan who returns to San Francisco.

Holmes to Northern N. Y.

London & Lancashire has appointed David B. Holmes special agent in northern New York, with headquarters at Buffalo. He will succeed W. H. Cooper, who is to retire Dec. 31.

Mr. Holmes is a graduate of Dartmouth and was for several years with New England Fire Insurance Rating Org.

Roddy 'Ag' Man in Neb.

Walter F. Roddy has been appointed special agent in Nebraska for Agricultural with headquarters at Omaha. He attended Drake, was 10 years in the local agency business, and then got some casualty field experience.

Creech to Whalley Co.

John Creech has been appointed special agent for western Washington by John A. Whalley & Co., Seattle, to replace Guy S. Worthley, retired. Mr. Creech has been special agent for Northwestern National. He started with General of Seattle as an adjuster in 1946.

Nebraska Fire Underwriters Assn. has scheduled meetings for Omaha Oct. 28, Kearney Jan. 13 and Lincoln March 27.

Iowa Blue Goose will hold its fall duck dinner at Waterloo Nov. 3. The pond has postponed its surprise stag party, usually held at Clear Lake, until some time next spring.

Speaker at a luncheon meeting of Minnesota Blue Goose was Max Winter, general manager of the Minneapolis Lakers professional basketball team.

Richard Lees, special agent for New Zealand and South British, has been transferred to San Diego.

Connecticut Field Club will hold its next meeting Nov. 2 at Hartford, and will hear a talk by Robert D. Lightner, Connecticut representative of Fiberglass Corp.

C. H. Morris, Wichita, active in plaintiff attorneys' organizations nationally and in Kansas, was speaker at the October meeting of the Sunflower Blue Goose puddle at Wichita.

New Mexico field men inspected Farmington during Fire Prevention Week. There were 25 participating.

Inland Empire Fire Underwriters Assn. of Washington inspected Pullman.

Washington Fire Underwriters Assn. inspected Chehalis.

Gladson & Kite of Atlanta have been named general agents in Georgia for Standard Marine to handle fire and marine business.

Hoosier Insurance Caravan

A Hoosier Insurance Caravan was conducted last week in Indiana with sessions Oct. 20 at Fort Wayne and Princeton, Oct. 21 at Peru and Seymour, and Oct. 22 at Gary and New-castle. It was sponsored by Indiana

Assn. of Insurance Agents, Indiana Fire Underwriters Assn. and Casualty & Surety Managers Assn.

Lines discussed were fire, personal property floater and farm coverages; personal accident, residence burglary and comprehensive personal and farm liability. About 450 attended.



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Lafrentz Career Marked by His Warm Personality

(CONTINUED FROM PAGE 27)

sociates in the company. In many a critical instance over the years he has backed his men under circumstances which required the expression of a good deal of confidence because of the importance of the matter to the company. One year he went to Florida. All he said to his executives was "Take care of yourselves. I know everything will be all right if you are all right."

As a boy Mr. Lafrentz had enjoyed the writing of poetry, and continued this interest over the years in spite of increasingly heavy commitments in other directions. In 1881 he published his first book of verse which was about his native island and was written in his native tongue. When it was reprinted in 1922, it brought \$5,000, which he gave to an institute for lung diseases that he had established years before at Fehmarn.

In later years he became interested in Lincoln Memorial University at Harrogate, Tenn., and he wrote a book of poetry entitled "Cowboy Stuff", covering his life in the west, expressly to raise funds for building the Lafrentz-Poole dormitory there. It is probably the first book of poetry which, at least upon its initial issue, was sold in some instances at \$5,000 a copy. He printed it at his own expense, and then sold it to his friends. Several of the copies went at \$5,000 apiece. He raised approximately \$150,000 in this way, and the dormitory was dedicated in 1929 to his mother and his wife's mother. He is chairman of the board of trustees which he served for a long time as president.

Today, after almost 80 years of work, he is still at it, radiating intelligence, energy and affection, glowing with deep satisfaction in being able to participate in the affairs of the world with the people he loves.

Low Family Long America Fore Tie Is Extended

E. Herrick Low has been elected a director of Continental, thus extending a family tradition. He is 1st vice-president of Corn Exchange Bank Trust Co. and is also a director of Fidelity & Casualty and American Eagle of the America Fore group. The Low family has been identified with America Fore companies for 100 years. Abiel A. Low, who was a direct forebear of E. Herrick Low, was an original director of Continental and continued on the board almost 30 years. The late Ethelbert Ide Low, father of Harry Low, who was president of Home Life of New York, was a director of Continental. Harold Herrick, Mr. Low's maternal grandfather, was president of Niagara Fire and his son, Newbold Herrick, senior partner of the New York City insurance firm of Wey & Herrick, is a director of Niagara.

New G.A.B. Offices

A branch office has been opened at Lewiston, Ida., by General Adjustment Bureau with John W. Sommer as adjuster in charge. He has been resident adjuster there for several months.

Another office has been opened at Van Nuys, Cal., with Jack A. Colburn as manager. Mr. Colburn has been with G.A.B. since 1948 and has had service at Phoenix, Flagstaff and Los Angeles. He will be assisted by Allan C. Bassett, who has been at Idaho Falls.

W. C. Pre-trial Processing Urged

Gordon Winbigler, associate counsel in the Los Angeles office of the industrial accident commission, told Cas-

ualty Insurance Adjusters Assn. of Southern California that companies can be saved \$100,000 by pre-trial processing of applications and review of cases to determine whether there should be a hearing. He said many cases can be settled through conferences of claimants and adjusters and pointed out that 97% of all applications coming before the commission are settled without litigation.

Casualty Claims Workshop Draws 200 Top Executives

Methods of reducing cost and improving operational procedures in handling casualty claims were discussed by top company executives at a two-day workshop in New York City, under the direction of Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies. The workshop dealt with the over-all subject of the creation and recording of claims.

This year's meeting, attended by more than 200 administrative and claims executives, consisted of five concurrent sessions, each of which analyzed various phases of the over-all theme. Merrill Simpson, vice-president of Glens Falls group, was chairman of the entire meeting.

Panel discussions brought out the fact that many companies are extending ever-increasing authority to field offices for more efficient operation and permanence in settling claims. Methods of cost reduction through simplified reserving procedures were analyzed, as were ways and means to reduce the cost of processing smaller claims. It was indicated that many classes of closed claim files are often retained longer than reasonably required.

Chairmen of the panels and their subjects were: Creation of claim records—E. A. Cowie, vice-president Hartford Accident; reserve methods—William M. Welch, secretary Great American Indemnity; autonomy, authority and supervision given to field offices—R. N. Caverly, vice-president Fidelity & Casualty; maintenance of statistics on claim developments—C. G. VanderFeen, vice-president National Surety, and destruction of claim records—Arthur B. Cross, 2nd vice-president Metropolitan Casualty.

Record Party for R.B.H.

The party to be given by Rollins Burdick Hunter Co. Nov. 12 at the Drake hotel, Chicago, during the convention of the American Management Assn. insurance division will be the most largely attended of any such hospitality event that R.B.H. has given. It is expected that more than 600 will be present for the cocktail party, dinner and floor show. This is always a sumptuous feast and provides a gala evening for many of the conventioners. All of the New York officers of R.B.H. will be on hand, headed by B. E. Davidson. H. J. Lorber, president of R.B.H., will do the principal honors.

Saskatchewan Promotions

H. L. Hammond has become manager of Saskatchewan Government Insurance Office and Saskatchewan Guarantee & Fidelity, and J. Blackburn is now secretary and J. O. Dutton assistant secretary. Mr. Blackburn has been assistant secretary in charge of automobile claims. Mr. Dutton was chief fire underwriter.

The Omaha World-Herald recently ran a special 16-page feature insert about insurance in Nebraska. The stories cover all types of insurance, and there are a number of articles on the history of insurance in Nebraska.

Traders & General celebrated its 25th anniversary with an open house at its home office at Dallas.

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A. & H. Agents Plan 30% Membership Gain

Members of the executive board of International Assn. of A&H Underwriters at their midyear meeting at New Orleans developed a plan to increase membership by 30% and establish state associations in 30 states.

President Thomas Callahan, Time, Milwaukee, laid out a program which stresses the disability sales course, establishment of legislative committees, publishing of directories of membership of local associations, and setting up of a good public relations committee.

Lewis Halley, Security L. & A., educational director, said that the DISC text book has now been revised and the new edition will be released Jan. 1. Plans for conducting an advanced underwriters seminar at one of the leading universities were announced by John Galloway, Provident L. & A., Birmingham, board chairman.

The directors selected San Antonio as the convention city for 1955.

Bankers L. & C. Elects

Three New Vice-Presidents

Three new vice-presidents have been elected by Bankers Life & Casualty. They are H. B. Thompson, E. J. Kelly and C. L. Little.

Mr. Thompson for many years was chief deputy of the Michigan insurance department, and before that was attorney for the Michigan Assn. of Life Underwriters and Detroit Better Business Bureau.

Mr. Kelly has been head of the claim department for many years, and Mr. Little has been in the investment department.

Two Join Bureau Staff

Kermit E. Schaeffer and Robert Waldron have joined the staff of Bureau of A. & H. Underwriters. They both will handle public relations, Mr. Waldron concentrating on medical and hospital relations.

Mr. Schaeffer is a graduate of the University of Michigan and Cornell law school. He has been with National Assn. of Manufacturers on the legal staff.

Mr. Waldron has degrees from Queens college, and Sydney university of Sydney, Australia. He has been a professor in Australia, and more recently was with the Associated Hospital Service of New York (Blue Cross) as public relations assistant.

Offer A. & H. Lectures at N.Y.

U.S.F. & G. is giving a series of lectures on A. & H. insurance for brokers and their employees at New York. Harold M. George, A. & H. superintendent, is in charge. The talks will include the discussion of policy forms, underwriting, claims, sales demonstrations.

Hear Pace at Richmond

Warren Pace, agency director of Guardian Life, addressed the October meeting of Richmond, Va., Assn. of A. & H. Underwriters on "Life Companies Enter the A. & H. Field."

Conference Directory Issued

The 1953-54 edition of the H. & A. Underwriters Conference directory has been distributed to member companies. It includes the listing of member companies, officers and executive staff members, as well as an outline of the various activities and services of the

conference, types of coverage written and states in which members are licensed to operate, company membership by states, new committee personnel and a brief summary of committee functions, the constitution, and a calendar listing dates of meetings for the next 18 months.

The conference has 200 company and 10 associate members.

Indiana Doctors' President Says Hospitals Pad Bills

Hospital officials were accused of sometimes padding bills where insurance is involved in a talk prepared for delivery before Indiana State Medical Assn. by its retiring president, Dr. Paul D. Crimm of Evansville.

At the last minute, Dr. Crimm decided not to deliver the speech, though it was reported in daily newspapers and supposedly will be published in the medical association journal.

"Hospitals chisel," the speech stated, "and if the Blue Cross, the hospitals' Santa Claus ever files for bankruptcy, it is because some hospitals are gouging their insurance companies by padding their patients' bills."

The speech also stated "things have come to a pretty pass when a patient trusts his life to a hospital which cannot be trusted with a blank check which is to be signed by Blue Cross or any other insurance company."

Generous Commission Scale Vital in A. & H., Tracy Says

Essential to building successful A. & H. men is a commission scale which will allow them to get started fast and build up a good renewal income, Lee Tracy, assistant A. & H. director of Prudential's ordinary division, told Indiana Assn. of A. & H. Underwriters at Indianapolis. Whether the renewal scale is graded or level is of secondary importance, he said.

A sufficient training program which leads to a frequency of sales and instills a belief and an enthusiasm in the business also is vital to development, the speaker added. "Our hardest job in training life men in A. & H. has been convincing them that all they need know is their own policies, and how to sell them, because competition is largely self-made," Mr. Tracy declared.

"I have never known a successful agent who was motivated by money alone," he said. "The prospect who never has been sick or hurt is like a blind man. You know what a satisfactory feeling it is to serve as a blind man's eyes in crossing a street. To be successful in A. & H. you must serve as the 'blind' prospect's eyes, and to do it, you must be thoroughly sold that what you are doing is for his good and welfare."

Marbury Gets Continental

The William A. Marbury & Co. general agency, Ruston, La., has been appointed Louisiana general agent for Continental Casualty's group department. Eugene Willis, who has been at Continental's home office, takes charge of the agency's group hospitalization department.

Coron Columbus Speaker

Howard H. Coron of Canton, O., district manager for Mutual Benefit H. & A. addressed Columbus Assn. of A. & H. Underwriters on "Sales and Closing Techniques."

● North American Life & Casualty has been licensed in California.

Robert M. Dewey, executive vice-president of Associated Reciprocal Exchange, New York, spoke at the Oct. 27 meeting of Insurance Buyers Assn. of Minnesota on "Business Interruption Insurance."

Warns of Munich on N. Y. Compulsory Issue

(CONTINUED FROM PAGE 1)

tem, rate making will not be left in the hands of private industry. If this were to become law, almost immediately many demagogues would argue that since the state requires all motorists to buy insurance, it is the duty of the state to see that they are protected from greedy corporations that make the rates. They would be demanding state-made rates.

Mr. Moser referred to the statement in the Kline-Pearson report that was made sometime ago for the New York insurance department that "the Massachusetts experience also seems to indicate the fear of politics in the rate making process is well founded." The New York superintendent now belittles the threat of political pressures on rate making and Mr. Moser asks whether the department was right then when the Kline-Pearson report was made, or is it right now?

State-made rates are not the real cause of political difficulties in Massachusetts, he contended. In Texas and Louisiana the rates are state-made, but the automobile insurance is voluntary. In neither of those states is there the political activity concerning insurance rates which is found in Massachusetts. The conclusion is that political activity is the result of the compulsory aspect of the legislation only.

Mr. Moser said that the voluntary means that are being surveyed by the industry to solve the problem demonstrate a sincere desire to get a solution. Mr. Moser said careful consideration is warranted of the idea of affording by insurers of coverage for loss due to inability of insured, including all members of their household to collect claims or judgments based upon the legal liability of financially irresponsible motorists. This coverage would be made available to any motorist carrying liability insurance and to persons who do not own, nor any member of whose household own a motor vehicle. The conflict of interest between the insured and his insurer by having the latter defend any action brought against an uninsured motorist may be obviated by the creation of a defense and reinsurance corporation with which such coverage could be reinsured and which could be authorized to defend such actions. The coverage would be sold for an insignificant premium.

This plan is not subject to the same objections that some urged to unsatisfied judgment funds or assigned case plans. The state collects no funds and the potential threat of the state embarking in the insurance business is absent.

The insured motorist contributes nothing for the benefit of the public on the whole, or for the benefit of uninsured motorists. Benefits are infinitely greater than those that could be derived under any compulsory insurance law. The plan is entirely consistent with insurance principles, he said.

Schwank New President of Chicago Farm Examiners

Ray E. Schwank was elected president of Chicago Farm Examiners Club at its annual meeting. He succeeds Ray Harner, America Fore.

Other officers are Everest A. Green, Springfield F. & M., vice-president; Lloyd Lindstrom, Great American, secretary, and George W. Martin, Fireman's Fund, treasurer.

Kansas Agents Name Heinz President-Elect

(CONTINUED FROM PAGE 20)

O. D. Evans, Standard Underwriters Agency of St. Louis, declared in his address. He reviewed the various bills now under consideration in Congress and urged the agents to take an active interest in the problem by writing their congressmen or seeing them personally when they are home. There are more persons in Congress than ever before who are interested in evening up the tax load, Mr. Evans said.

The new officers were installed at the banquet by Commissioner Frank Sullivan, who also presented the contest awards. The Rosse Case Memorial Cup, given by Past President Alex H. Case to the individual agent who is most active in fire safety work, went to Joe Bly of the Kenneth Ross agency, Arkansas City. The Cheney Prouty Cup, awarded to the agent most effective in public safety, went to Gilbert Henry, new secretary of the KAIA. The Frank T. Priest Cup for the local board doing the best job in public relations and service went to the Wichita host board. The special Frank T. Priest award to the agent offering the best sales suggestion went to Preston Bacon of the Northcott-Bacon agency, Newton, who also won the award last year.

C. F. Gross Sets Up His Own Reinsurance Office

Charles F. Gross, who has been mid-western manager of Excess at Kansas City, has now organized Reinsurance Management Co., to do all forms of reinsurance and excess business for brokers and insurers. He will do no business direct. Mr. Gross will have an office in the Waldheim building.

Mr. Gross has had 23 years experience as home office and branch manager for primary and reinsurance companies, having been with Central Surety and Continental Casualty before going with Excess.

Meritplan Sweetens Scale

Meritplan Ins. Co., of Los Angeles, which is an instrumentality of the Victor Montgomery general agency and Pacific Employers, announced that its commission scale for automobile insurance has been increased to 15% on both new and renewal business. Commissions heretofore have been 15% the first year and 10% on renewals after the first year. This company was set up to provide a competitive instrumentality for producers of automobile insurance and its plan of operation is very similar to that of Safeco, which was subsequently formed by General of Seattle. Meritplan expresses the belief it can increase commissions and still maintain rates competitive with the direct-writers. Meritplan is studying the rate situation and according to the announcement expects shortly to announce an even more competitive rate program. The announcement goes on to claim that Meritplan's modern approach to automatically renewable policies and premium collections reduces overhead expense and leaves more time for important income producing activities thus resulting in more net commissions to the producer.



C. F. Gross

New Small Risk U&O Form to Spur Sales Activity

(CONTINUED FROM PAGE 1)

in a restaurant, and a policy on the property may be demanded. There may be a fire in the front of the restaurant that doesn't effect the kitchen but nevertheless would stop the business. Hence the BI coverage would be most comforting.

This policy allows the small businessman to buy earnings insurance on the basis of a minimum need instead of a percentage of the maximum exposure. Of course, this is an advantage that must be charged for and hence, that is one reason why the rate has got to be higher. Then the fact that the entire face of the policy can be expended, insofar as the coast form is concerned in three months, insofar as the Fireman's Fund is concerned in four months and American States in five months is another advantage that has to be accounted for in the rate. It is like writing A & H insurance on the income from the business.

The insurer's exposure to total loss possibility is increased. The governing feature of the exposure is the stock and fixtures since the replacement of the contents is going to be the main concern of these insured.

The theory is that the differential between this kind of insurance and the proper form should be severe enough to make the contribution forms and their credit attractive.

There are certain risks that will fall definitely into eminently suitable prospects for this kind of insurance, and then there will be the larger ones that definitely will be dismissed from consideration for this type of insurance. There will be risks in the middle ground which can be approached on this simplified idea and when the calculations are made it will be found that they will be more attracted to the proper form. There have already developed some of the larger risks, however, that have taken this new plan for the sole reason that they can do so without making any disclosure of their business secrets. There are corporations of considerable size, whose stock is not listed, that are not required to divulge income figures and that guard these with their lives. There have been few large U & O cases taken by such risks because they don't want to open up their books.

A problem which first concerned executives and underwriters was the possibility of an agent selling the no-coinsurance form to an insured who needed a lot of business interruption insurance, but in practice this appears to have been a groundless fear. With a small insured, the difference in premium worked up by the higher rate for the "simplified" form is peanuts, but with a larger risk it could amount to quite a little money and an agent who sold it to the wrong party could be made to look like a chump or a bandit by a smart competitor. Fearing the eventual loss of desirable lines, these companies required that every risk of more than \$10,000 or \$15,000 should be reviewed by a field man or executive. Actually, little trouble has developed along these lines. Of the middle western states which accepted filings of the no-coinsurance forms, only Ohio required a maximum amount, which was \$15,000. The economic fact that the larger the line the less attractive this form to

an insured seems to be well understood.

The survey of the sentiments of agents on business interruption insurance by Insurance Executives Assn. showed an overwhelming demand for simplification, though there was no unanimity on how forms and procedures should be simplified and most agents did not try to be specific. This strong feeling undoubtedly made agents sympathetic to the efforts of American States and Fireman's Fund and the Pacific Fire Rating Bureau companies will likewise certainly have the agents back of them. This year's report of the NAIA property insurance committee, while not advocating any specific form, praised the companies which experimented with those innovations.

C. E. Mazuy Now Chairman of Selected Risk Team

Claude E. Mazuy of Newton, N. J., has been elected chairman of Selected Risks Indemnity and Selected Risks Fire of Branchville, N. J. He takes the place left vacant by the death of J. B. R. Smith. C. Stanley Smith was elected general counsel to succeed the late William A. Dolan and Frank E. Mazuy was named assistant treasurer. That is the office which was held by his father, Claude Mazuy.

President Jesse Grant Ree, II, announced that the offering of the indemnity company of 8500 shares of stock had been oversubscribed. There is to be a stock dividend and this plus the sale of the additional shares produces an increase in capital \$650,000 to \$800,000.

Dedicatory ceremonies for the new home office building of Selected Risks Indemnity at Branchville, N. J., were held at the time of the annual stockholders meeting. It is expected that the building will be completed before the end of the year, then there will be open house ceremonies probably next May. There was a program of speeches including talks by Mayor W. R. Decker of Branchville, C. Stanley Smith, general counsel, Douglas A. Evans of Woodbury, N. J. speaking for stockholders, and Claude E. Mazuy of Newton, chairman of the building committee.

Galitz to Cummings Agency

Charles W. Galitz, who had been casualty manager of Youngberg-Carlson Co., has been appointed casualty manager of T. A. Cummings, Jr., Co., Chicago class 1 agency. He started with Indemnity of North America, then was with American Auto and next with Fred S. James & Co.

Old American Festivities

For the opening of its newly remodeled four-story building at 1 West 9th at Kansas City, Old American invited many leading business men and civic officials.

Joseph McGee, Old American president, arranged a bus trip outing to Albany, Mo., 100 miles north, where the company has its own modern building for its mailing division.

The group was served luncheon in the lounge of the home office building, refreshments at the home of J. F. Allebach, former assistant attorney general and Old American counsel at Albany, and dinner at a tea-room at Gallatin.

Andrew G. Stewart has been appointed a director on the general board of Employers Liability. He is chairman and general managing director of Stewart & Lloyds, Ltd., and president of British Employers' Confederation.

Program Given for University Teachers

The program has been completed for the convention of American Assn. of University Teachers of Insurance at the Statler hotel, Washington, Dec. 28-29. There will be a meeting Dec. 28 with American Statistical Assn. and American Public Health Assn. on "Some Recent Follow-Up Mortality Investigations."

On Dec. 29, Superintendent Bohlinger of New York will be the luncheon speaker and in the afternoon S. Rains Wallace, Jr. of Life Insurance Agency Management Assn., will speak on "Research in Life Insurance"; Frank Lang of Assn. of Casualty & Surety Companies, on "Research in Property Insurance"; and John S. Bickley of Ohio State U on "Research on the Collegiate Level."

There will be a breakfast meeting that day and in the morning there will be a panel discussion on "The Basic Life Insurance Course in the Curriculum." The panel chairman will be Herbert C. Graebner of Butler U, and the other members will be Dan M. McGill of University of Pennsylvania; Joseph F. Trosper of University of Tennessee; J. Edward Hedges of Indiana U, and Joseph Keiper of N.Y.U.

Davis W. Gregg of American College of Life Underwriters will be chairman of the afternoon meeting.

Even Joins W. A. Alexander as Executive Assistant

John T. Even has joined W. A. Alexander & Co. agency of Chicago as executive assistant in the special risks division.

Mr. Even, a fire protection engineering graduate of Illinois Tech, began his



JOHN T. EVEN

insurance career with the Chicago Board as an inspector. Later he was with National Fire as an engineer and then joined Fireman's Fund in 1939, serving successively as engineer, field man, and agency superintendent. Most recently he was assistant manager in charge of fire operations.

RBM Advances Gunn

W. Fraser Gunn has been appointed manager of the casualty department of Rollins Burdick Hunter in New York City. He will also supervise aviation insurance, reinsurance and multiple line underwriting. Before going with RBH, Mr. Gunn was special agent and underwriter for American Foreign. He started in the insurance business with Indemnity of North America.

Cal-Farm Plans Big Rally

About 2,500 farm bureau people and 150 agents from Cal-Farm Ins. Co. are expected to attend the rally of Cal-Farm group at San Jose, Nov. 10.

Among the speakers will be George H. Wilson, president of Cal-Farm; Duane Kuntz, manager of Country Life of Illinois, and Frank Bland, Pacific coast manager of the National Underwriter Co.

Chief Officers Reelected at Mo. Agents Gathering

(CONTINUED FROM PAGE 2) the assigned risk plan, Mr. Lorie advised that the agents suggest more than just the basic limits, with the excess coverage available in foreign markets. He went on to say that the assigned risk plan is one method of getting the direct writers to take their share of undesirable business. The agent's regular company will write the son or daughter of a good customer, so why should there be a fight over a refusal on an unsupported class 2 risk. The more of these that are forced on the bureau companies, the more the competition is helped. While agents don't make much on assigned risk cases, they are helping themselves in the long run by preserving the market and making the selective cut-rater take his share of such standard business, he said.

The story in a nutshell, he declared, is for agents to underwrite the business carefully, know their markets, use old reliable companies, and have no hesitation to use the assigned risk plan for hot ones. "Sell your agency service and sell your full line of policies," he concluded.

Arthur M. O'Connell of Cincinnati, a member of the NAIA executive committee, told the Missouri agents about the benefits they receive from National association committees. He paid tribute to those who take committee assignments and devote a part of their productive time to the business.

John Wilde Joins Factory Mutuals in Legal Post

John Wilde has joined Associated Factory Mutual Fire Insurance Companies as associate general counsel. He has been insurance manager and associate counsel of American Woolen Co. Prior to that he was in a similar position with Endicott Johnson, and still earlier was a practicing attorney in Vermont.

Supreme Court Actions

WASHINGTON—The U. S. Supreme Court has denied certiorari writ in No. 285, Federal Ins. Co. vs. Isbrandtsen Co.

The court set for reargument during the week of Nov. 9 Maryland Casualty vs. Cushing.

St. Paul Ups Dividend

St. Paul Fire & Marine has increased its quarterly dividend rate to 25 cents, the first such payment to be made Jan. 17 to stock of record Jan. 10. The rate has been 20 cents and there was paid an extra of 10 cents in 1953.

Mass. Buyers Meet

Massachusetts Insurance Buyers' Assn. met Thursday at Boston. This was a closed session at which buyers discussed the practices of their insurers as to insurance requirements for contractors.

E. H. Fikes, farm state agent of Home, Topeka, a past MLG of the Kansas Blue Goose, is recuperating at his farm near Cleven, Mo., following a heart attack which he suffered while on vacation.



THESE MEN . . . and thousands like them . . . ARE MAKING CRIME INSURANCE EASIER TO SELL



In all parts of the country, *crime is on the increase.*

Here's the latest FBI report:

Last year, major crimes of all kinds exceeded 2,000,000 for the first time — 160,000 more than in any previous 12-month period.

Of these, 94% or 1,918,480 were crimes against property: robberies, burglaries and thefts.

What does this mean to insurance agents? It means that never has there been a *better opportunity*

for the sale of *crime insurance* — because individuals and businessmen are becoming increasingly aware of the *need* for adequate protection.

To help Aetna agents get their full share of the rapidly expanding volume on the crime insurance lines, Aetna has prepared a wide variety of impressive sales aids — including presentation folders, mailing pieces, booklets, rate cards and motion pictures. All have been carefully planned and tested — all are being used with outstanding success by agents from coast to coast.

ÆTNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY

Ætna Life Insurance Company

Ætna Casualty and Surety Company

FIRE AND MARINE

Automobile Insurance Company

Standard Fire Insurance Company

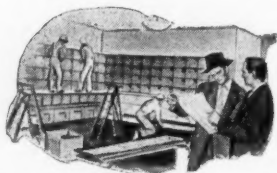
Hartford 15, Connecticut



Meet your HOMEtown Insurance Agent

HOW TO INSURE A PROFITABLE BUSINESS

EVEN A GOOD BUSINESS can be a keg of dynamite. A flash fire, for instance, can turn a going concern into a gone one. And that's only one of a hundred or more hazards. Fortunately, many if not most of these risks can be covered by insurance. That's why far-sighted businessmen often have regular, frank conferences with their insurance agents. Have a talk with your Home Insurance agent—he knows his business and how to give you the best insurance values for yours.



Profits as Usual! The earnings of a business can be insured, too. While damage caused by fire or other specified perils is being repaired, Business Interruption insurance provides that regular earnings will continue. And your Home agent can tailor this policy to your needs!

Your HOMEtown Agent can serve you well—see him now!



THE HOME Talks Business... to GET Business For You!

Next advertisement in the new Home series is designed to catch the eye of businessmen, large and small. If you have commercial or industrial policyholders or prospects, this advertisement is working for you. Like all Home advertisements, it is speaking not for the Company but for you, the agent—telling *your* story and emphasizing the value of your services. Reprints of this advertisement, in full color, are available for your use.

★ THE HOME ★ *Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

THE HOME INDEMNITY COMPANY

Casualty Insurance • Fidelity and Surety Bonds

The above advertisement
will appear as a full
page in color in:

SATURDAY EVENING POST
October 31

TIME
November 9

U. S. NEWS & WORLD REPORT
November 13

BUSINESS WEEK
November 14

BETTER HOMES AND GARDENS
November

NATION'S BUSINESS
November

TOWN JOURNAL
November

